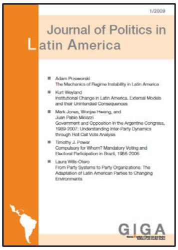

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Journal of Politics in Latin America

# Journal of Politics in Latin America

Niedzwiecki, Sara (2015),
Social Policy Commitment in South America. The Effect of Organized Labor on Social Spending from 1980 to 2010, in: *Journal of Politics in Latin America*, 7, 2, 3–42.

URN: http://nbn-resolving.org/urn/resolver.pl?urn:nbn:de:gbv:18-4-8524

ISSN: 1868-4890 (online), ISSN: 1866-802X (print)

The online version of this article can be found at: <www.jpla.org>

Published by
GIGA German Institute of Global and Area Studies, Institute of Latin American Studies
and Hamburg University Press.

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■■■ Journal of Politics in Latin America 2/2015: 3–42 GIGA ■■■

# Social Policy Commitment in South America. The Effect of Organized Labor on Social Spending from 1980 to 2010

Sara Niedzwiecki

**Abstract:** This paper studies the effect of organized labor on social policy commitment in Latin America. Contrary to the idea that unions are not expected to be major promoters of social state development due to being weakened by dictatorship and structural adjustment, I argue for the incorporation of this variable in statistical analysis of social spending. Through pooled time-series regressions of 10 South American countries from 1980 to 2010, this paper finds that union strength has a statistically significant and positive effect on social spending. This analysis also confirms that democracy and the concentration of power in the executive all have a significant effect with regard to predicting changes in the levels of social spending.

■ Manuscript received 25 July 2014; accepted 7 April 2015

**Keywords**: Latin America, social spending, labor movement, welfare states

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# Introduction

Does organized labor influence long-term social spending in South American democracies? Contrary to the strong role of unions and their linkages to parties in advanced welfare states (Stephens 1979; Korpi 1978; Huber and Stephens 2001), it has been argued that organized labor is unlikely to be a major promoter of social state development in Latin America. This is because (i) dictatorship and structural adjustment have critically weakened unions, (ii) unions are not progressive and only represent a narrow working base, (iii) parties are less institutionalized than those in the OECD countries, and (iv) the linkages between unions and political parties are different and have probably become weaker since the implementation of market-oriented reforms (Coppedge 1998; Kitschelt et al. 2010; Roberts 2002; Weyland 2004; Haggard and Kaufman 2008; Stein et al. 2006: 107). Partly for these reasons, researchers conducting statistical analyses on the determinants of social spending in Latin America have either excluded the role of organized labor (Huber, Mustillo, and Stephens 2008; Haggard and Kaufman 2008) or included it in an index together with left partisanship (Segura-Ubiergo 2007).

This paper argues that there are theoretical reasons to expect unions to shape social spending in Latin America.[1] The main contribution of this paper is to test the independent long-term effect of unions on social policy commitment, especially since the return of democracy. In particular, I argue that the independent effect of unions on social policy commitment has been significant (and positive) throughout the periods of retrenchment (1980–1999) and expansion (2000–2010). This is true even when partisanship is not a relevant predictor of social policy commitment.

The main factors that prevent left partisanship from having a significant influence are parties' low levels of institutionalization, the lack of correspondence between class cleavages and political parties, and the weaker substantive content of "left" and "right" party labels when compared to those in both Eastern and Western European countries (Kitschelt et al. 2010: 111; Mainwaring and Scully 1995; Roberts 2002). In particular, serious economic constraints during retrenchment years led candidates elected on left-of-center platforms (e.g. in Argentina, Mexico, and Venezuela) to ignore their campaign promises and implement neoliberal policies (Murillo 2001; Stokes 2001). By the end of the first decade of the twenty-first century, democracies in Latin America had become more consolidated and economic constraints had lessened; party systems, however, remain weakly institutionalized. In fact, most left parties elected to the presidency in Latin America have either been characterized by low levels of institutionalization (such as in Bolivia, Venezuela, and Ecuador) or functioned as populist machines that concentrate authority in a dominant personality and lack a coherent ideology (such as in Argentina and Nicaragua) (Levitsky and Roberts 2011: 13).[2]

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[1] Acknowledgements: I wish to thank Evelyne Huber and Jonathan Kropko for their excellent comments throughout the many iterations of this paper. Thomas Carsey, Kenneth Roberts, John Stephens, Jim Stimson, and Alissandra Stoyan also provided helpful comments on previous drafts of this paper. All remaining errors are my own responsibility.

This paper is divided into three sections. After this introduction, the first section discusses the literature that underpins this study and its theoretical expectations. In the second section I briefly describe the variables and use pooled time series data and different model specifications in South American countries during 1980–2010 to analyze the determinants of changes in social spending levels. This statistical analysis will be useful for testing the effects of (i) labor movement strength, (ii) the left-partisan balance in the lower house, (iii) the concentration of political power in the executive, and (iv) the cumulative years of democracy on total, social security, and health spending as a percentage of GDP. In the third section I then summarize and reflect on the implications of my findings for the analysis of social policy in Latin America.

## Unions, Parties, and Social Spending

This paper analyzes the independent effect of organized labor on social policy commitment in South America. I argue that union strength has a significant effect on social spending: the stronger the organized labor movement, the greater the total, social security and welfare, and health spending as a percentage of GDP. This theoretical expectation is derived from power resources theory and the broader welfare states theory. Additionally, this paper incorporates analyses that focus on how the concentration of power, democracy, and globalization shape social spending.

Power resources theory focuses on the role of class to explain societal institutions. The chances of success in a distributive conflict are shaped by the relative differences in the distribution of resources

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[2] Chile, Brazil, and Uruguay have been considered the only Latin American countries with institutionalized left parties elected to the executive (Levitsky and Roberts 2011: 13).

(Stephens 1979; Korpi 1978: 24, 50). In OECD countries the welfare state is the democratic attempt to influence the distribution of power resources (Korpi 1978: viii–x), while the organized working class is the main agent of change. As a result, social democratic welfare states have developed in countries with a strong organized working class. The working class promotes change by being represented by leftist – and, in part, Christian Democratic – parties, which expand the welfare state once in power (Stephens 1979; Huber and Stephens 2001; Esping-Andersen 1990; Korpi 1978: 319–323). Both left-wing parties and unions demand generous social policies and thus increases in spending. It is therefore standard practice to use the strength of left-wing parties as an indicator of the role of the labor movement (e.g. Huber and Stephens 2001; Hicks 1999; Iversen and Stephens 2008).[3]

The argument that the ideological position of political parties in OECD countries plays a critical role in social policy formation has been supported by previous analysis (Stephens 1979; Huber, Ragin, and Stephens 1993; Huber and Stephens 2001). Huber and Stephens argue that in the long term, partisanship has a "ratchet effect" on social policy (Huber and Stephens 2001: 28–32). According to this concept, leftist governments affect social policy by providing broad entitlements during periods of expansion, which become popular. During periods of retrenchment, however, partisan governments' effects are weakened because the Right is constrained by the popularity of social programs and the Left faces fiscal constraints (Huber and Stephens 2001; Pierson 1996; Pierson 2001). Organized labor strength is, in turn, strongly related to left incumbency in advanced industrial democracies.[4] In the post-retrenchment literature in OECD countries, the roles of labor strength and left partisanship vary between the different varieties of capitalism. For instance, whereas coordinated market economies exhibit social partnerships between unions and employers, liberal market economies exhibit adversarial relations and weaker employment protection (Hall and Soskice 2001). Different social coalitions, which include organized labor, shape different liberalization reform paths with important implications for redistribution (Thelen 2014).

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[3] Jensen (2012) and Kwon and Pontusson (2010) represent noticeable exceptions in the literature on advanced democracies. Jensen (2012), in particular, argues for the need to separate union strength and left partisanship because unions and left parties may both want increases in spending, but on different types of social programs. In addition, unions may also influence policies under right-wing governments.

[4] Besides organized labor, other organizations in civil society such as the women's movement can also deploy their organizational power resources and affect social policy outcomes (Huber and Stephens 2006).

Most of these theories have been developed and tested in Europe; only the most recent works have tested these hypotheses for Latin American states, through the inclusion of a partisanship variable in regression analyses. Huber and Stephens (2012) find that the cumulative effect of left partisanship is not a significant predictor of increases in social expenditure but matters for poverty and inequality reduction. This means that the Left allocates expenditures in a more redistributive way. The lack of significance of the partisanship variable for accounting for increases in broad categories of social spending is parallel to previous findings and responds to the weakness of leftist parties in formative periods of social security systems and the inheritance of Bismarckian or employment-based contributory systems (Huber, Mustillo, and Stephens 2008: 433–434).

Along similar lines, some previous studies have noted that political parties are weaker in Latin America, albeit with considerable variation across countries (Coppedge 1998; Mainwaring and Scully 1995; Kitschelt et al. 2010; Roberts 2002; Mainwaring and Torcal 2005). To begin with, left parties have engaged in nonprogressive social policies, thus making social policy predictions based on partisanship a difficult enterprise (Madrid 2003). In addition, the substantive content of "left" and "right" labels is less meaningful in Latin America than in Eastern and Western Europe (Kitschelt et al. 2010: 111). This is partly due to the lack of congruence between class structure and political organization. In particular, labor movements were weakened during neoliberal policies, which produced a shift away from mass-based parties toward elitist parties (Roberts 2002).

While there is some evidence about the effect of partisanship on social policy commitment, there are no comparable findings on the role of organized labor. Existent statistical analysis on the determinants of social policy spending in Latin America have either not included the strength of labor movements (Huber, Mustillo, and Stephens 2008; Haggard and Kaufman 2008; Huber and Stephens 2012), have included it in an index together with left partisanship (Segura-Ubiergo 2007), have included two measures of labor strength yielding opposite results (Wibbels 2006), or have included a measure of collective protest that produces different results across spending on human capital and social security (Zarate Tenorio 2014). This exlusion is partly related to the fact that neoliberalism and military dictatorships in Latin America have weakened unions, both in terms of participation and political power

(Weyland 2004: 145–149; Roberts 2002; Stein et al. 2006: 108). Therefore, we should not necessarily expect unions to have a strong effect on social policy commitment. Nevertheless, previous qualitative works on the region have shown the relevance of unions and union–government interactions to social policy reforms, during both retrenchment and expansion periods.

Some authors claim that in late-industrializing countries, workers place greater value on alliances with political parties – thus accepting, for instance, market-oriented reforms often in return for concessions (Murillo 2001: 197). For others, neoliberal reforms are possible in weakly structured and routinized labor parties, which offer the flexibility to replace weak union-based linkages with personal-based clientelistic networks (Levitsky 2003: 2–3). According to Levitsky, organized labor accepted neoliberal reforms in Argentina because of the unions' "long-standing social, political and organizational ties to Peronism" (2003). Recent works have highlighted the crucial role unions and other civil society groups play in welfare state formation and social policy reform (Dion 2010; Niedzwiecki 2014). These frameworks are helpful for pointing out the relevance of unions and the ways in which they impact social policy commitment.

Given the existing qualitative evidence and the initial resurgence of strong labor movements (Etchemendy and Collier 2007), I include an independent measure of organized labor strength to analyze the determinants of social policy commitment. I argue that, as it is the case in advanced industrial democracies, strong and encompassing labor movements always demand more social services, which are materialized by increases in social spending. This is because social welfare caters to the interests of unions' constituencies: formal workers. These policies protect workers from the risks associated with the market, sickness, and old age. In addition, the stronger and more centralized union organization is, the stronger the preference of unions for encompassing policies that benefit all workers (Stein et al. 2006: 107). The reason for this is that the leaders of encompassing and strong labor movements care about the entire labor force and have the institutional capacity to ensure a broad outcome (Garrett 1998: 9).

Apart from welfare state theory and power resources theory, there are alternative explanations (found within the institutionalist, democratization, and globalization literatures) that tackle the question of the determinants of social spending. The institutional perspective, as well as the concentration of power more generally, sheds light on the debate over the opportunity structure that presidents face when implementing their own social policy agenda. Given that retrenchment is less popular than expansion, the constitutional and partisan concentration of power in the executive branch facilitates overall cuts in social spending. Previous analyses on social spending have included institutional variables in random-effects pooled time-series models (Huber, Mustillo, and Stephens 2008) or excluded this variable in fixed-effects models that do not allow for nonchanging variables within units across time (Segura-Ubiergo 2007).

The effect of democracy on governments' social spending has shown mixed results in the literature on Latin America. The relevance of this variable has to do with the fact that parties and organized civil society can only be strengthened in a democratic context. While some authors have found no relationship between democracy and overall social spending (Kaufman and Segura-Ubiergo 2001; Haggard and Kaufman 2008), others have found a positive and statistically significant correlation (Huber, Mustillo, and Stephens 2008; Huber and Stephens 2012; Avelino, Brown, and Hunter 2005; Brown and Hunter 1999). According to these studies, democracies respond to voter pressure more than authoritarian governments do, and regime type is "more influential in determining which constraints matter" (Brown and Hunter 1999: 779). To quantify the dynamics in this variable, Huber, Mustillo, and Stephens (2008) and Huber and Stephens (2012) measured the cumulative record of democracy through the number of years that a certain country has been democratic. These studies examined the determinants of social spending in random-effects pooled time series for 18 Latin American and Caribbean countries for the period 1970–2007, finding that democracy mattered in the long run for social security and welfare, health, and education spending.

Explanations based on globalization have offered support for both the expansion and retrenchment of the welfare state. Since globalization increases poverty and inequality, in advanced industrial economies the newly excluded will pressure the state for compensation; the state will respond accordingly by expanding protection to these groups. Empirical analyses of Latin America, however, have shown mixed results. Integration into the world economy has produced, on the one hand, an overall decrease in social spending, particularly during economic crises and due to the consequent policies of structural adjustment (Wibbels 2006). On the other hand, trade openness has led to an overall increase in aggregate social spending as a result of significant growth in human capital spending (Avelino, Brown, and Hunter 2005). Disaggregating the dependent variable shows that globalization negatively affects social security spending (mainly financed through payroll taxes) but not necessarily human capital spending (including health and education) (Kaufman and Segura-Ubiergo 2001; Segura-Ubiergo 2007; Wibbels 2006). Yet, others have found that more-open markets increase both education and social security expenditures (Avelino, Brown, and Hunter 2005). Overall, the inconsistency of the findings is related to the selection of different time frames, cases, data, methods, and control variables (Huber and Bogliaccini 2010).

## Measuring Concepts and the Statistical Model

The sample for this statistical analysis consists of 10 South American countries: Argentina, Brazil, Bolivia, Chile, Colombia, Ecuador, Peru, Uruguay, Paraguay, and Venezuela. These cases were selected because they are the largest countries in the region and there is available data. In addition, geographically narrowing the analysis to South American countries allows for studying the effect of labor in middle-income countries with somewhat homogeneous economies. The dataset includes an unbalanced panel at the national level, covering the period 1980–2010.[5] Table 1 shows the countries and years included in the analysis.

Table 1: Countries and Years

| **Country** | **Year** |
|---|---|
| Argentina | 1983–2010 |
| Bolivia | 1982–2010 |
| Brazil | 1985–2010 |
| Chile | 1990–2010 |
| Colombia | 1980–2010 |
| Ecuador | 1980–2010 |
| Paraguay | 1989–2010 |
| Peru | 1980–1991, 1995–2010 |
| Uruguay | 1985–2010 |
| Venezuela | 1980–2010 |

Source: Author's own compilation.

The sample countries are not included in the dataset during periods when authoritarian governments were in power, as the effect of unions and parties is only significant in a democratic context. The measurement of the dependent variable was available for between 21 (minimum) and 30 (maximum) observations per country for the analyzed period.

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[5] I take the year 1980 as the cut-off because at some point during or after 1980 all the countries in my dataset became democracies.

The models employed here include Prais-Winsten regressions, which use panel corrected standard errors (PCSE) and first-order autoregressive corrections that deal with the contemporaneous correlation of errors across countries (Beck and Katz 1995). In addition, given that the model includes both time-variant variables within countries (such as cumulative years of democracy) and rarely changing variables within countries (such as constitutional powers in the hands of the executive), I decided to apply a statistical model that deals with this kind of data at the same time that it tackles the problem of heterogeneity in the dependent variable – which is a particularly serious issue in time-series cross-sectional data (Stimson 1985). Mundlak (1978) and later Bartels (forthcoming) developed a modeling framework that is presented as a compromise between random- and fixed-effects models; for this reason, Bartels calls it a "unified" approach.[6]

The authors present this model as a way of differentiating within and between unit effects, accounting for unit-level unobserved heterogeneity through a random intercept and allowing for the inclusion of nonchanging variables across time in a single unit. In this model I first calculate within- and between-unit transformations of variables that vary across both dimensions.[7] The second step is to run a random-effects model (Prais-Winsten PCSE) including (i) within- and between-unit coefficients of the changing variables across panels and time and (ii) nonchanging variables across time, while the error is partitioned into a within and a between cluster component. The within effect of the independent variables, therefore, should not be correlated with the between error.

For robustness checks, besides running the same model through different specifications, I employ additional data tests to rule out a significant problem with multicollinearity and influential outliers driving the results.[8] Finally, I do not include a lagged dependent variable since that would suppress the power of other significant independent variables.[9]

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[6] I thank Jon Kropko for showing me the relevance of this model for the question I am asking (Kropko 2011).The appropriate application of this model remains my own responsibility.

[7] The between-unit effect (B) is the average value of the variable over time for each country, calculated through $X_i^B = \overline{X}_i = \frac{\sum_{t=1}^{T} X_{it}}{T_i}$. The within-unit effect (W) centers the data around its mean and is the difference between that variable and the between variable. In this way, it removes the average differences between countries, calculated through $X_{it}^W = X_{it} - X_i^B$.

## Measures of Social Spending and the Independent Variables

The dependent variable, social spending, is measured through total spending as a percentage of GDP, social security and welfare spending as a percentage of GDP, and health spending as a percentage of GDP. The data comes from Huber et al. (2008b) and has been updated with data from Cepal.[10] These variables were originally compiled using values from four spending series – one IMF series and three Cepal series.[11] Disaggregating the dependent variable into three components follows the claim that social spending has a different effect on poverty reduction depending on the type of spending in place. Huber, Mustillo, and Stephens (2008) discuss how social security spending has proven regressive in the region because it tends to benefit particular categories of employees and sectors and is generally tied to formal-sector employment. On the contrary, health spending is progressive overall, particularly in terms of expenditure on primary healthcare and nutrition. My decision to focus on levels of expenditure as opposed to percentage changes in the level of expenditure is based on three theoretical and practical reasons. First, year-to-year changes in expenditures are strongly determined by economic cycles, but I am interested in entitlements. Second, errors in the original dataset are exaggerated when taking into account annual change. Third, and most importantly, I am concerned with measuring long-term effects, which are not captured in yearly change (Huber and Stephens 2001: 57–64).

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[8] To test for multicollinearity, I developed VIF in Stata. The average VIF is around 3.6 including dummy variables. Given that some of the variables appear to be skewed, I observed whether the results were dependent upon a few outliers by plotting the residuals against the dependent variable and dropping the countries one at a time. Looking at the scatter plots, there does not seem to be a problem with influential outliers. In addition, dropping each country one at a time does not change the main results. I also developed a test for heteroskedasticity (“httest” in Stata), and there is no heteroskedasticity in the errors. The tests for ruling out heteroskedasticity and multicollinearity are shown in Appendix A4.

[9] As Achen (2000) shows, lagged dependent variables “bias the substantive coefficients toward negligible values and does artificially inflate the effect of the lagged dependent variable” due to high serial correlation and trending in the exogenous variable.

[10] Cepalstat, online: <http://estadisticas.cepal.org/cepalstat/WEB_CEPALSTAT/estadisticasIndicadores.asp?idioma=e> (1 July 2014).

[11] The criteria for selecting among social spending figures starts with the IMF, then Cepal, followed by Cominetti, and finally Social Panorama. For a more extensive explanation on the selection and coding, see the codebook of Huber et al. (2008b), online: <www.unc.edu/~jdsteph/common/data-common.html> (23 July 2014).

Table 2: Social Spending (Total, Social Security, and Health) as a % of GDP by Country

| Country | Social Spending | Mean | Std. Dev. | Min | Max |
|---|---|---|---|---|---|
| **Argentina** | Total | 16.9 | 4.2 | 8.8 | 27.8 |
| | Social security | 8.5 | 1.8 | 4.9 | 12.9 |
| | Health | 4.0 | 1.3 | 1.3 | 6.2 |
| **Bolivia** | Total | 9.2 | 3.5 | 3.3 | 15.6 |
| | Social security | 3.5 | 1.8 | 0.1 | 6.1 |
| | Health | 1.5 | 0.9 | 0.3 | 3 |
| **Brazil** | Total | 17.2 | 5.3 | 8.4 | 27.1 |
| | Social security | 9.8 | 2.5 | 5.9 | 14.1 |
| | Health | 3.4 | 1.2 | 1.3 | 5.2 |
| **Chile** | Total | 14.0 | 2.8 | 11.1 | 21.6 |
| | Social security | 8.0 | 2.4 | 5.4 | 14.3 |
| | Health | 2.5 | 0.6 | 1.7 | 4.1 |
| **Colombia** | Total | 9.8 | 3.8 | 3.7 | 14.6 |
| | Social security | 4.8 | 1.9 | 2.4 | 8.6 |
| | Health | 2.0 | 1.0 | 0.7 | 4.1 |
| **Ecuador** | Total | 7.0 | 1.6 | 3.8 | 9.8 |
| | Social security | 2.2 | 0.6 | 1.2 | 3.1 |
| | Health | 1.4 | 0.4 | 0.7 | 2.2 |
| **Paraguay** | Total | 6.9 | 2.8 | 1.3 | 11.0 |
| | Social Security | 3.0 | 1.0 | 1.1 | 5.3 |
| | Health | 1.2 | 0.8 | 0.3 | 3.5 |
| **Peru** | Total | 5.7 | 1.9 | 3.3 | 10.0 |
| | Social security | 2.5 | 0.7 | 0.9 | 3.6 |
| | Health | 1.1 | 0.2 | 0.8 | 1.7 |
| **Uruguay** | Total | 19.4 | 2.4 | 14.2 | 23.3 |
| | Social security | 13.3 | 1.6 | 10.6 | 16.8 |
| | Health | 3.2 | 0.8 | 1.7 | 4.9 |
| **Venezuela** | Total | 8.4 | 1.6 | 6 | 12.1 |
| | Social security | 2.6 | 1.0 | 1.2 | 4.6 |
| | Health | 1.5 | 0.3 | 0.8 | 2 |

Source: Author's own compilation and calculation.

Table 2 summarizes the levels of social spending by country. It confirms that Uruguay, Argentina, Brazil, and Chile are by far the highest spending countries in South America in terms of social spending (Huber and Stephens 2012, 2010). We can also see that social security and welfare spending accounts for the majority of social spending, whereas health spending represents only a small portion thereof. Overall, Table 2 shows high variation in the dependent variable across countries and types of social spending. Table 3 summarizes all variabes included in the regression analysis and described below.

Table 3: Summary Statistics of Dependent, Independent, and Control Variables

| **Variable** | **Mean** | **Std. Dev.** | **Min** | **Max** |
|---|---|---|---|---|
| **Dependent Variables** | | | | |
| Total government social spending (% GDP) | 11.5 | 5.7 | 1.3 | 27.8 |
| Social security and welfare spending (% GDP) | 6.0 | 4.1 | 0.1 | 16.8 |
| Health government spending (% GDP) | 2.2 | 1.3 | 0.3 | 6.2 |
| **Independent Variable** | | | | |
| Strength of organized labor | 0.0 | 1.0 | -1.5 | 2.9 |
| Competing Explanations | | | | |
| Legislative partisan balance | 0.7 | 0.4 | 0.0 | 1.9 |
| Constitutional concentration of power in the executive | 0.0 | 1.0 | -0.7 | 2.7 |
| Partisan powers of the president in the lower house | 0.3 | 0.2 | 0.0 | 0.8 |
| Cumulative years of democracy | 29.4 | 13.7 | 0 | 57 |
| **Control Variables** | | | | |
| GDP per capita | 6225 | 2315 | 2546 | 12524 |
| Trade (% GDP) | 46.2 | 21.3 | 11.5 | 131 |
| Balance of payment | $-9e^{+8}$ | $7.3e^{+9}$ | $-4.7e^{+10}$ | $4.1e^{+10}$ |

Source: Author's own compilation and calculation.

The main independent variable (organized labor strength) is measured through an index constructed through factor analysis. In the literature it is conventional to measure labor movement strength through union density and the degree of organizational concentration (Roberts 2002: 14; Bogliaccini and Filgueira 2011; Garrett 1998: 13). The percentage of the workforce that is unionized is a measure of the representativeness and the scope of the movement. More encompassing labor movements demand social policies that affect a broader population (Garrett 1998: 9). Union concentration, in turn, shows the capacity of a labor movement for political action. However, union density measures in Latin America exhibit a relatively high level of missingness (see Appendix A2), and the data on union concentration does not exhibit variation within countries across time. I therefore include a third indicator of this variable (minimum wage), which does not exhibit high levels of missingness and shows variation both across countries and within countries across time. Most importantly, minimum wage is highly correlated with union strength.[12] While union density and union concentration are direct measures of union strength, minimum wage is a proxy of it.[13]

As a result, the index variable for organized labor strength includes three observable indicators: (1) the proportion of workforce organized into unions coded for each country and each year taken from the Human Rights Report of the US State Department (Section on "The Right of Association"),[14] (2) minimum real wage value taken from Huber et al. (2008b) and updated with CEPAL data, and (3) union concentration provided by Kenneth Roberts.[15] This index ranges from -1.5 to 2.9 (see Table 3).[16]

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[12] Sobel (1999) shows how the political strength of unions (and the weakness of business interests) increases the minimum wage in the United States. When unions gain more power, they partly use this power to increase the minimum wage.

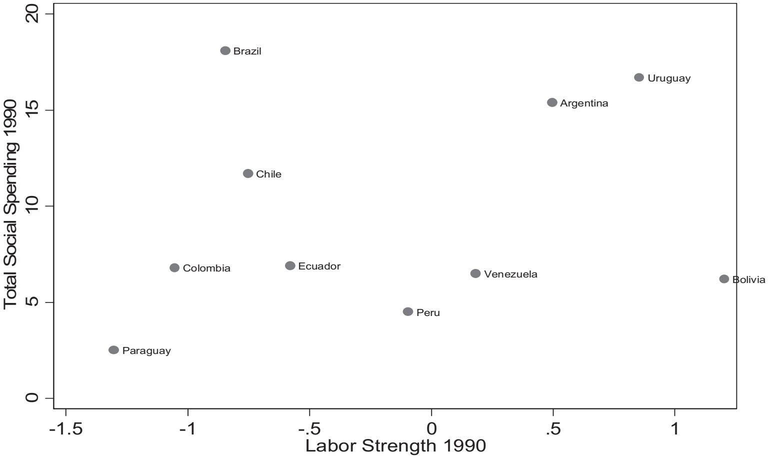
[13] An additional possible indicator of labor strength is the number of strikes and the number of people participating in those strikes. However, this indicator suffers from theoretical and empirical shortcomings. On one hand, protests can be used more as defensive strategies than as a mechanism to influence policy making (Stein et al. 2006: 111). On the other hand, and to my knowledge, there is no reliable source that includes data for all the countries included in this analysis or for the relevant time frame. The absence of other reliable indicators of labor strength therefore makes the minimum wage an accurate proxy for labor movement strength.

[14] Given the lack of variation within countries across time, the years that have missing information take on the value of the closest year. I thank Kenneth Roberts for pointing out the relevance of this source.

[15] For Paraguay, I use the Human Rights Report of the US State Department.

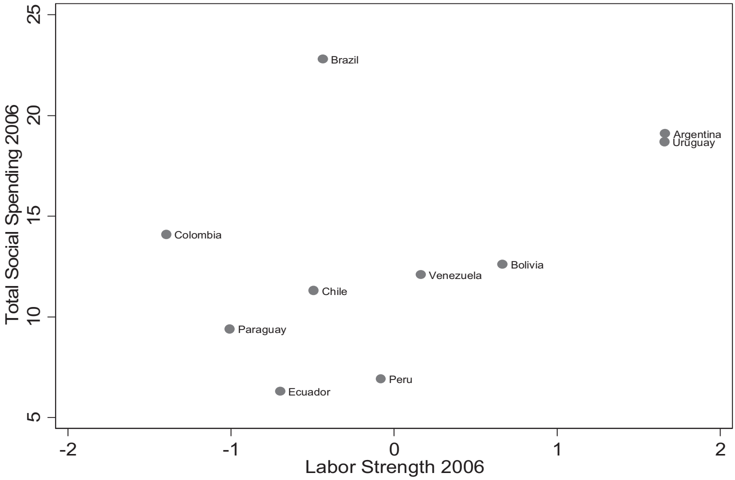
[16] Appendix A2 shows missingness in the original indicators of this variable. The factor analysis, presented in Appendix A3, produces three factors. Only one has an Eigenvalue larger than 1 (1.5) and is therefore the only factor retained. Each dimension loads positively and produces a factor that accounts for half of the total variance. Although in confirmatory factor analysis loadings should be 0.7 or higher to confirm that independent variables identified a priori are represented by a particular factor, the 0.7 standard is a high one and real-life data may well not meet this criterion. Therefore, the factor loadings for strength of labor can be considered as "medium-high."

Figure 1: Total Social Spending as a Percentage of GDP and Strength of the Labor Movement, 1990



Source: Author's own compilation and calculation.

Figure 2: Total Social Spending as a Percentage of GDP and Strength of the Labor Movement, 2006



Source: Author's own compilation and calculation.

In Figures 1 and 2 the sample countries' total social spending as a percentage of GDP is plotted for the randomly selected years of 1990 and 2006. The countries with the strongest labor movements, Argentina and Uruguay, are located on the far right of the x-axis, while countries with traditionally weak labor movements, such as Paraguay and Colombia, are located on the far left. In addition, Figures 1 and 2 show the positive association between labor strength and total social spending as a percentage of GDP.[17]

The second independent variable, legislative partisan balance, taps left partisan presence in the lower house. This variable was taken from the Huber et al. (2008a) dataset (updated in 2014), which bases its categories on Michael Coppedge's *A Classification of Latin American Political Parties* (1997).[18] Coppedge's classification includes two main dimensions and a residual dimension. The first main dimension consists of a left–right ideological spectrum regarding class appeal that focuses on growth and redistribution. The second main dimension is a religious one and includes the categories "secular" and "Christian." The residual dimension consists of three categories: personalist, other, and unknown. Huber and Stephens constructed a party index (which they call the "ideological center of gravity" or "legislative power balance") in which higher values result in a left-leaning balance and the secular and religious categories are aggregated. The index is constructed as follows:

$$Right \times 0 + 0.5 \times CenterRight + 1 \times Center + 1.5 \times CenterLeft + 2 \times Left$$

The third independent variable is the constitutional concentration of power in the executive, measured through a factor analysis that includes the following indicators: (a) federalism (0 if federal, 1 if unitary); (b) type of electoral system (0 if PR, 1 if modified PR, 2 if majority); (c) type of cameralism (0 if strong bicameralism [symmetrical and incongruent], 1 if weak bicameralism [symmetrical and congruent], 2 if unicameralism or any variety of asymmetrical bicameralism); and (d) judicial review (0 if exists, 1 if does not exist). This data (updated in 2014) is included in Huber et al. (2008a).

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[17] It is noteworthy that the x-axis and the y-axis are larger in 2006 than in 1990. This is because both social spending and organized labor increased throughout this time frame.

[18] The dataset was originally constructed by consulting country experts on the classification of parties that participated in elections for the lower house since 1912. The update of the dataset was conducted in 2014 by Huber and Stephens through primary and reference materials.

The fourth independent variable is partisan powers of the president in the lower house. Partisan powers are measured through the percentage of seats in the lower house held by the party of the president – this is also taken from Huber et al. (2008a). The fifth independent variable is the cumulative years of democracy from 1945 until 2010, coded "0" if nondemocracy and "1" if democracy. The original coding of this dichotomous variable follows Przeworski, Cheibub, and Limongi (2000), updated by Huber et. al (2008a).

Four control variables (updated in 2012) have been added from Huber et al. (2008b). First, to measure the level of wealth and level of income in a given country, I include real GDP per capita in constant dollars based on 2005 purchasing power parties.[19] Second, to measure the effect of globalization, I include the level of trade. This is measured as imports plus exports as a percentage of GDP and is based on the World Bank's World Development Indicators. Third, I incorporate a measure for current account balance of payments (in current dollars), originally taken from the World Development Indicators. Finally, I include a dummy variable for the period 2000–2010 (1980–1999 = 0; 2000–2010 = 1) to control for the dual phase of widespread cuts in the 1980s and 1990s and the phase of expansion during the first decade of the twenty-first century.[20]

## Results

The main finding derived from the following regressions is that labor movements consistently lead to an increase in social spending as a percentage of GDP. Not only is this true for total social spending and social security spending in every model specification, it is also the case for health spending during the expansion period and when comparing countries. Conversely, the effect of left partisan balance in the lower house is mostly insignificant with regard to predicting changes in social spending across South American countries and across time. In addition, and in keeping with previous findings, cumulative years of democracy in a given country lead to an increase in social spending. Finally, presidents have used their constitutional powers to cut spending rather than expand it. These results can be seen in Tables 4 through 10, which use an array of model specifications such as bivariate correlations, regressions that incorporate interaction terms, and models that differentiate "within" and "between" coefficients.

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[19] This variables was originally taken from Penn World Table Version 7.1. The Chain Index, in which this variable is based on, incorporates changing relative prices into the analysis. As a result, the growth rate of GDP per capita for a given period is based upon international prices most closely allied with that period.

[20] I changed the cut-off point to different values and replaced it with a dummy for the years in which the country had an agreement with the IMF; this did not alter the main results (see Appendix A6). I did not include more controls for economic conditions to avoid overspecifying the model and because of their varying significance and signs across different analyses (e.g. Kaufman and Segura-Ubiergo 2001; Huber and Stephens 2012).

Table 4: Bivariate Correlations between Social Spending (as a Percentage of GDP) and Labor Strength

| | **Coefficient** | **Std. Err.** | **P>\|t\|** |
|---|---|---|---|
| Total Social Spending | 1.38*** | .33 | .00 |
| Social Security Spending | .97*** | .24 | .00 |
| Health Spending | .25*** | .08 | .00 |

Note: ***p≤0.01, **p≤0.05, *p≤0.1.

Source: Author's own compilation and calculation.

The effect of the labor movement on social spending is consistently significant and positive, which can be seen from the bivariate correlations between labor strength and the three types of government social spending in Table 4. The correlations are highly significant and positive in each of the three specifications of the dependent variable as a percentage of GDP.

Table 5 incorporates control variables in a Prais-Winsten PCSE regression. The effect of organized labor on total spending and social security and welfare spending is significant. A one-unit increase in the index variable for organized labor strength increases total spending by around 0.8 percent of GDP. For a medium-sized country in South America, such as Colombia, this represents roughly USD 200 million (in an economy with a PPP GDP of USD 250 billion; Avelino, Brown, and Hunter 2005). Tables 6 through 10 incorporate interaction terms and "within" and "between" coefficients, confirming the strongly significant and positive effect of labor strength on total spending and social security and welfare spending. It is worth mentioning that the effect of organized labor is generally stronger in the expansion period (Tables 7 and 10) than in the retrenchment period (Tables 6 and 9). While a one-unit increase in the labor-strength index increases total social spending by 0.77 points in the period 1980–1999 (Table 6), the effect increases to 1.32 points in the period 2000–2010 (Table 7). In addition, the effect of the labor movement is almost exclusively across countries rather than within countries across time (Tables 8–10). This is because most of the variation in the index variable for organized labor strength is found across cases, as Appendix A1 shows.

The effect of organized labor on health spending deserves particular attention. In the model presented in Table 5, labor strength appears insignificant, possibly for three reasons. First, while social security spending benefits particular categories of formal-sector employees, health spending is generally related to the sectors of the population excluded from the formal labor market (Huber, Mustillo, and Stephens 2008). Pensions are a higher priority for unions than health care because it is seen as a way to protect their core constituency – namely, workers (Jensen 2012). As a result, unions are expected to have a stronger effect on the former than on the latter. Furthermore, given that the health sector is more complex to reform than other areas due to the influence of actors with various interests (such as physicians, laboratories, and organized patients), the effect of unions is only significant in more propitious contexts of state expansion. While the 1980s and 1990s were characterized by state retrenchment, the period 2000–2010 reflected social state expansion. Therefore, the effect of organized labor is insignificant in the retrenchment years (Table 6) but is positive and significant in the expansion years (Table 7). A one-unit increase in the labor-strength index during the period 2000–2010 increases health spending by 0.28 percentage points (Table 7) – which is relevant given that the average South American country in the sample spends around 2.2 percent of GDP on health.

Finally, the model presented in Table 5 does not differentiate between the effect of labor movements across countries and within countries across time. Given that most of the variation in the strength-of-organized-labor index is across time rather than within countries (see Appendix A1), one would expect this variable to be significant for health spending when differentiating "within" and "between" coefficients. Table 8 incorporates such complexity and shows that organized labor has a statistically significant positive effect on health spending across countries (Table 8), both in the expansion and retrenchment periods.

The quantitative evidence produced here on the effect of unions on social spending confirms the findings of previous case studies (see for example Niedzwiecki 2014). Labor unions in Argentina and Brazil, for example, opposed the privatization of the pension systems. In Brazil strong pressure from civil servants' unions was successful in blocking any attempts to reform the pension system along the lines of the Chilean privatization (Kay 1999; Weyland 2006). The powerful media campaigns that described the potential pension reforms as “privatization,” a “neoliberal package,” or “selling the country to foreign capital” managed to turn public opinion against reform (Brooks 2009: 231).

Despite successfully campaigning against full privatization of the pension system in the 1990s, labor unions in Argentina were unable to prevent the introduction of a mixed system (Haggard and Kaufman 2008). The reason why Argentine unions were not as successful in completely blocking pension reform as were their Brazilian counterparts is because their main concern was to avoid losing full access to health insurance funds. In Argentina social insurance companies run by unions (called *obras sociales*) are a crucial part of union funding. As a result of these interests, any attempt to completely privatize the health insurance sector has been strongly opposed by the unions (Murillo 2001; Niedzwiecki 2014).

In Bolivia unions and other grassroots organizations played a crucial role in backing the Movement Toward Socialism government’s universal noncontributory pension policy, *Renta Dignidad*. Labor unions – in alliance with neighborhood associations, landless movements, indigenous movements, informal workers associations, and pensioners – were relevant actors during the design, passing, and implementation of the policy. In particular, these groups organized public demonstrations in support of the bill and in opposition to the wealthier eastern departments that did not want to see their transfers cut to finance the policy (Anria and Niedzwiecki 2015).

Table 5: Determinants of Total, Social Security and Welfare, and Health Spending as a Percentage of GDP in South America, 1980–2010. Prais-Winsten PCSE

| | **Total Social Spending** | | **Social Security Spending** | | **Health Spending** | |
|---|---|---|---|---|---|---|
| Variables | Coef. | SE | Coef. | SE | Coef. | SE |
| Strength of organized labor | .79** | (.35) | .65** | (.21) | .05 | (.11) |
| Legislative left-partisan balance | -.73 | (.47) | -.23 | (.35) | .14 | (.14) |
| Cumulative years of democracy | .25*** | (.04) | .14*** | (.02) | .03*** | (.01) |
| Presidential constitutional powers | -.71** | (.35) | -1.26 *** | (.27) | -.27*** | (.08) |
| LH control of the party of the president | .66 | (.54) | .17 | (.40) | .00 | (.16) |
| GDP per capita | .001 *** | (.00) | .00** | (.00) | .00*** | (.00) |
| Trade (% GDP) | -.02* | (.01) | -.01 | (.01) | -.00 | (.00) |
| Balance of payment | -.00 | (.00) | -.00 | (.00) | -.00 | (.00) |
| $R^2$ | .58 | | .63 | | .52 | |

| | Total Social Spending | Social Security Spending | Health Spending |
|---|---|---|---|
| Rho | .89 | .77 | .84 |
| Countries | 10 | 10 | 10 |
| Observations | 262 | 262 | 262 |

Note: Standard errors in parenthesis ***p≤0.01, **p≤0.05, *p≤0.1.

Source: Author’s own compilation and calculation.

Table 6: Determinants of Total, Social Security and Welfare, and Health Spending as a Percentage of GDP in South America, 1980–2010. Model with Interaction Terms with Dummy Variable (1980–1999 = 0; 2000–2010 = 1). Prais-Winsten PCSE

| | Total Social Spending | | Social Security Spending | | Health Spending | |
|---|---|---|---|---|---|---|
| Variables | Coef. | SE | Coef. | SE | Coef. | SE |
| Strength of organized labor | .77** | (.34) | .64*** | (.20) | -.09 | (.09) |
| Strength of organized labor*dummy | .56* | (.32) | .03 | (.21) | .38*** | (.11) |
| Legislative left-partisan balance | -.01 | (.58) | .20 | (.46) | .21 | (.18) |
| Legislative left-partisan balance*dummy | -1.33** | (.68) | -.58 | (.44) | -.20 | (.23) |
| Cumulative years of democracy | .20*** | (.03) | .12*** | (.02) | .03** | (.01) |
| Presidential constitutional powers | -.96*** | (.27) | -.86*** | (.14) | -.20** | (.06) |
| Presidential constitutional powers*dummy | -.84** | (.31) | -.59** | (.17) | -.22** | (.07) |
| LH control of the party of the president | .05 | (.79) | -.16 | (.60) | -.00 | (.24) |
| LH control of the party*dummy | 1.36 | (1.05) | .72 | (.74) | .01 | (.31) |
| Dummy (1980–1999) | 1.10 | (.77) | .25 | (.45) | .46** | (.22) |
| GDP per capita | .00*** | (.00) | .00*** | (.00) | .00*** | (.00) |
| Trade (% GDP) | .00 | (.01) | -.01* | (.01) | -.00 | (.00) |
| Balance of payment | -.00* | (.00) | -.00 | (.00) | -.00* | (.00) |
| R$^2$ | .75 | | .77 | | .61 | |
| Rho | .78 | | .63 | | .81 | |
| Countries | 10 | | 10 | | 10 | |
| Observations | 262 | | 249 | | 262 | |

Note: LH = Lower House. Standard errors in parenthesis ***p≤0.01, **p≤0.05, *p≤0.1.

Source: Author’s own compilation and calculation.

Table 7: Interpretation of Interaction Terms from Table 6, 2000–2010

| | **Total Social Spending** | | **Social Security Spending** | | **Health Spending** | |
|---|---|---|---|---|---|---|
| Interaction Terms | Coef. | SE | Coef. | SE | Coef. | SE |
| Strength of organized labor*dummy | 1.32*** | (.36) | .68*** | (.23) | .28** | (.11) |
| Legislative left-partisan balance*dummy | -1.34** | (.58) | -.38 | (.38) | .01 | (.19) |
| Presidential constitutional powers*dummy | -1.80 *** | (.36) | -1.45 *** | (.19) | -.42*** | (.09) |
| LH control of the party* dummy | 1.41* | (.73) | .56 | (.52) | .01 | (.20) |

Note: LH = Lower House. Standard errors in parenthesis ***p≤0.01, **p≤0.05, *p≤0.1. Coefficients, standard errors and t values for the interaction term have been calculated following Brambor, Clark, and Golder (2005).

Source: Author's own compilation and calculation.

Table 8: Determinants of Total, Social Security & Welfare, and Health Spending as a Percentage of GDP in South America, 1980–2010. Estimates Breaking the Predictor into a Within Effect (W) and a Cross-sectional Between (B) Part. Prais-Winsten PCSE

| | **Total Social Spending** | | **Social Security Spending** | | **Health Spending** | |
|---|---|---|---|---|---|---|
| Variables | Coef. | SE | Coef. | SE | Coef. | SE |
| Strength of labor movement (B) | 2.41*** | (.65) | 2.23** | (.71) | .38** | (.14) |
| Strength of labor movement (W) | .52 | (.37) | .24 | (.28) | -.02 | (.11) |
| Legislative left-partisan balance (B) | -.62 | (2.25) | -3.71** | (1.67) | -.71 | (.56) |
| Legislative left-partisan balance (W) | -.56 | (.41) | -.09 | (.30) | .28** | (.12) |
| Cumulative years of democracy (B) | .08 | (.11) | .25** | (.11) | -.01 | (.02) |
| Cumulative years of democracy (W) | .39*** | (.04) | .19*** | (.02) | .09*** | (.01) |
| Presidential constitutional powers (B) | -1.06* | (.66) | -2.29 *** | (.68) | .03 | (.14) |
| LH control of the party of the president(B) | -5.45 | (6.33) | -21.7** | (7.04) | .84 | (1.2) |
| LH control of the party of the president(W) | .99** | (.50) | .00 | (.36) | .13 | (.15) |
| GDP per capita (B) | .00*** | (.00) | .00 | (.00) | .00*** | (.00) |
| GDP per capita (W) | -.00 | (.00) | -.00* | (.00) | .00 | (.00) |
| Trade (% GDP) (B) | .08** | (.04) | .11** | (.04) | .00 | (.00) |
| Trade (% GDP) (W) | -.05*** | (.01) | -.03*** | (.01) | -.00** | (.00) |
| Balance of payment (B) | -.00*** | (.00) | -.00*** | (.00) | -.00*** | (.00) |

| | **Total Social Spending** | | **Social Security Spending** | | **Health Spending** | |
|---|---|---|---|---|---|---|
| Balance of payment (W) | -.00* | (.00) | -.00 | (.00) | -.00 | (.00) |
| $R^2$ | .78 | | .75 | | .82 | |
| Rho | .84 | | .82 | | .61 | |
| Countries | 10 | | 10 | | 10 | |
| Observations | 283 | | 269 | | 283 | |

Note: LH = Lower House. Standard errors in parenthesis ***p≤0.01, **p≤0.05, *p≤0.1.

Source: Author's own compilation and calculation.

Besides the effect of the strength of organized labor on increasing social spending, three additional results are worth discussing. First, the results presented in these tables show the overall insignificant effect of left partisanship (measured through left partisanship in the legislature) on social spending.[21] In fact, the effect of the left partisan balance is insignificant not only across types of social spending in the model presented in Table 5 but also during the periods of retrenchment (Table 6) and expansion (Table 7) and when differentiating between "within" and "between" effects (Tables 8–10). In the few cases in which left partisan balance is significant, it has a negative sign. In these cases, a higher percentage of seats in the lower house occupied by left and left-of-center parties has seen decreases in social spending. This is possibly due to the fact that left parties enjoy the credibility to cut spending when framed as necessary. In fact, many neoliberal reforms have been promoted by populist and center-left leaders (Murillo 2001).

Second, the regression analyses presented in Tables 5 through 10 confirm the positive effect of the cumulative years of democracy on social spending across time and countries (Huber, Mustillo, and Stephens 2008; Huber and Stephens 2012). This result is consistent across types of social spending and across retrenchment and expansion periods. One more year of democracy, for instance, increases total social spending by 0.25 points on average (Table 5). The models that differentiate "between" from "within" effects show that the long-term effect of democracy on social spending is mostly significant within countries across time rather than between countries (Tables 8 and 9).

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[21] The inclusion of the orientation of the party of the executive does not change the other results, but the effect of this variable on social spending is erratic: sometimes it is insignificant; sometimes, positive; and sometimes, negative. This has to do with the fact that it is challenging in Latin America to measure the ideology of the party of the president given that presidents often do not respect their campaign promises once in office (Stokes 2001). Appendix A5 shows these results.

Table 9: Determinants of Total, Social Security, and Health Spending (as a % of GDP). Model with Interaction Terms (1980–1999 = 0, 2000–2010 = 1) and Breaking the Predictor into a Within Effect (W) and a Cross-sectional Between (B) Part. Prais-Winsten PSCE

| | **Total Social Spending** | | **Social Security Spending** | | **Health Spending** | |
|---|---|---|---|---|---|---|
| Variables | Coef. | SE | Coef. | SE | Coef. | SE |
| Strength of organized labor (B) | 2.46*** | (.52) | 2.14*** | (.48) | .28** | (.12) |
| Strength of organized labor (B)*dummy | .07 | (.35) | -.30 | (.25) | .30** | (.10) |
| Strength of organized labor (W) | .12 | (.43) | .09 | (.31) | -.23* | (.14) |
| Strength of organized labor (W)*dummy | 1.14* | (.61) | .41 | (.49) | .43** | (.21) |
| Legislative left-partisan balance (B) | .23 | (1.87) | -2.28* | (1.31) | -.46 | (.47) |
| Legislative left-partisan (B)*dummy | -.75 | (.99) | -.77 | (.56) | -.49 | (.35) |
| Legislative left-partisan balance (W) | .08 | (.51) | .08 | (.41) | .38 | (.15) |
| Legislative left-partisan (W) *dummy | -1.10 | (.79) | -.17 | (.55) | -.17 | (.24) |
| Cumulative years of democracy (B) | .10 | (.08) | .20** | (.08) | -.01 | (.02) |
| Cumulative years of democracy (W) | .37*** | (.04) | .16*** | (.02) | .07*** | (.01) |
| Presidential constitutional powers (B) | -.83 | (.57) | -1.66*** | (.48) | .11 | (.11) |
| Presidential const. powers (B) *dummy | -.93** | (.35) | -.54** | (.23) | -.25** | (.08) |
| LH control of the party of the president(B) | -6.74 | (4.88) | -16.9*** | (4.82) | 1.22 | (1.19) |
| LH control of the party (B) *dummy | 4.22 | (4.25) | 4.54 | (2.82) | -2.05 * | (1.10) |
| LH control of the party of the president(W) | .28 | (.70) | -.42 | (.50) | .27 | (.22) |
| LH control of the party (W) *dummy | 1.53 | (.97) | 1.06 | (.70) | -.27 | (.29) |
| Dummy variable (1980–1999) | -.57 | (1.44) | -.83 | (.86) | 1.19*** | (.32) |
| GDP per capita (B) | .00*** | (.00) | .00* | (.00) | .00*** | (.00) |
| GDP per capita (W) | .00 | .00 | -.00 | (.00) | .00 | (.00) |
| Trade (% GDP) (B) | .08** | (.03) | .09*** | (.03) | .00 | (.00) |
| Trade (% GDP) (W) | -.05*** | (.01) | -.03*** | (.01) | -.01** | (.00) |
| Balance of payment (B) | -.00*** | (.00) | -.00*** | (.00) | -.00*** | (.00) |
| Balance of payment (W) | -.00** | (.00) | -.00 | (.00) | .00** | (.00) |
| $R^2$ | .89 | | .81 | | .87 | |
| Rho | .62 | | .69 | | .57 | |

| | Total Social Spending | Social Security Spending | Health Spending |
|---|---|---|---|
| Countries | 10 | 10 | 10 |
| Observations | 283 | 269 | 283 |

Note: LH = Lower House. Standard errors in parenthesis ***p≤0.01, **p≤0.05, *p≤0.1.

Source: Author's own compilation and calculation.

Table 10: Interpretation of Interaction Terms from Table 9, 2000–2010

| | Total Social Spending | | Social Security Spending | | Health Spending | |
|---|---|---|---|---|---|---|
| Variables | Coef. | SE | Coef. | SE | Coef. | SE |
| Strength of organized labor (B)*dummy | 2.53*** | (.56) | 1.85*** | (.50) | .58*** | (.13) |
| Strength of organized labor (W)*dummy | 1.25** | (.51) | .50 | (.41) | .20 | (.18) |
| Legislative left-partisan (B)*dummy | -.52 | (1.9) | -3.06** | (1.33) | -.95 | (.52) |
| Legislative left-partisan (W) *dummy | -1.02 | (.69) | -.10 | (.43) | .21 | (.21) |
| Presidential const. powers (B) *dummy | -1.76*** | (.58) | -2.20*** | (.49) | -.14 | (.12) |
| LH control of the party (B) *dummy | -2.52 | (5.6) | -12.3** | (5.10) | -.83 | (1.3) |
| LH control of the party (W) *dummy | 1.82** | (.72) | .64 | (.51) | .00 | (.20) |

Note: LH = Lower House. Standard errors in parenthesis ***p≤0.01, **p≤0.05, *p≤0.1. Coefficients, standard errors and t-values for the interaction term have been calculated following Brambor, Clark, and Golder (2005).

Source: Author's own compilation and calculation.

The final result to underscore is the consistent negative effect of the constitutional concentration of power in the executive. Presidents with more constitutional power seem to use their authority to cut rather than expand social spending. A one-unit increase in the index of presidential constitutional powers, for instance, leads to a decrease in total social spending by 0.71 points on average (Table 5). These results are robust across the retrenchment (Table 6) and expansion years (Table 7). This is, in part, because social state expansion is more popular than state retrenchment, and therefore only powerful presidents can engage in the latter. Given that this is a rarely changing variable, it only receives a between-unit coefficient in the models that incorporate this complexity (Tables 8–10). By narrowing its effect to cross-country differences, this variable loses some of its significance in the "within" and "between" models, although it is still negative and significant in a majority of the cases. Unlike presidential constitutional powers, presidential partisan powers (measured by the percentage of seats in the lower house controlled by the party of the president) appear consistently insignificant.

In other words, presidential constitutional power shapes social spending more than presidential partisan power does. This may be related to the fact that many presidents either enjoy automatic majorities or do not go through congress to pass reforms; in fact, most reform proposals in Latin America originate in the executive.

## Conclusions

This paper shows that unions in Latin America, like their European counterparts, demand expansion of the social state, which is materialized by increases in social spending. It underscores the need to incorporate labor strength into the analysis of social spending in Latin America, where the presence of a strong labor movement has resulted in increased total, health, and social security spending as a percentage of GDP. This finding was robust across different model specifications, which included interaction terms for differentiating retrenchment from expansion periods and differentiated between effects within countries and across countries.

While the significance of the effect of organized labor strength highlights the relevance of power resources theory for explaining social policy commitment in Latin America, the lack of significance of the left partisan balance underlines the need to adapt these theories to the local context. Political parties in advanced industrial democracies are stronger than in Latin America; therefore, the effect of left partisanship is expected to differ. The weakness of parties in the region, particularly with regard to clear "left" and "right" party labels, makes this variable insignificant for predicting changes in the levels of social spending.

Besides testing (and partly confirming) welfare state theories, this paper confirms the argument that cumulative years of democracy produce an expansion of social spending. Finally, it also finds that presidential constitutional power has been used as a tool for cutting spending rather than increasing it.

The main implicaton that stems from this analysis is that union strength matters in Latin America. In opposition to the body of literature on the weakness of labor organization and on the regressive characteristics of unions in the region, this investigation shows that unions are relevant to social state expansion. Thus, this variable must be incorporated into statistical analyses of social spending in the region. Further research is required to analyze specific changes in the composition of social spending, which go beyond the categories of social security and health. In particular (and if the data are available), future research should focus on the role unions play in changes to the specific components of social spending that have a direct effect on the reduction of poverty and inequality.

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## Compromiso con la Política Social en Sudamérica. El Efecto de los Sindicatos sobre el Gasto Social de 1980 a 2010

**Resumen**: Este trabajo estudia el efecto de los sindicatos sobre el compromiso con la política social en América Latina. Contrario a la idea de que los sindicatos no son promotores del desarrollo del estado social debido a que han sido debilitados por la dictadura y las políticas de ajuste estructural, en este trabajo argumento que se debe incorporar esta variable al análisis estadístico del gasto social. A través del uso de series de tiempo agregadas en 10 países sudamericanos de 1980 a 2010, este trabajo demuestra que la fortaleza de los sindicatos posee un efecto estadísticamente significativo y positivo sobre el gasto social. Este análisis también confirma que la democracia y la concentración de poder en el ejecutivo tienen un efecto significativo en predecir cambios en los niveles de gasto social.

**Palabras Clave**: América Latina, gasto social, sindicatos, estado de bienestar

# Appendix A1: Independent Variables Description, including “between”(_b) and “within” (_w) Components

| Variable | Mean | Std. Dev. | Min | Max |
|---|---|---|---|---|
| **Independent Variable** | | | | |
| Strength of organized labor_b | -0.0 | 0.9 | -1.3 | 1.3 |
| Strength of organized labor_w | 0.0 | 0.4 | -0.9 | 1.6 |
| **Competing Explanations** | | | | |
| Presidential constitutional powers_b | -0.0 | 0.9 | -0.7 | 2.7 |
| Lower house control of the party of the president_b | 0.3 | 0.1 | 0.2 | 0.5 |
| Lower house control of the party of the president_w | -0.0 | 0.2 | -0.4 | 0.6 |
| Legislative left-partisan balance_b | 0.7 | 0.3 | 0.3 | 1.3 |
| Legislative left-partisan balance_w | -0.0 | 0.3 | -0.9 | 0.8 |
| Cumulative years of democracy_b | 30.4 | 10.9 | 7 | 43 |
| Cumulative years of democracy_w | -1.0 | 8.3 | -16 | 14 |
| **Control Variables** | | | | |
| GDP per capita_b | 6171 | 1898 | 3031 | 8670 |
| GDP per capita_w | 53.4 | 1237 | -3766 | 4706 |
| Trade (% GDP)_b | 46.2 | 17.6 | 20.4 | 81.6 |
| Trade (% GDP)_w | -0.0 | 12.1 | -54.9 | 49.1 |
| Balance of payment_b | $-9e^{+8}$ | $3.7e^{+9}$ | $-9.4e^{+9}$ | $6.9e^{+9}$ |
| Balance of payment_w | 29.9 | $6.3e^{+9}$ | $-3.8e^{+10}$ | $3.4e^{+10}$ |

# Appendix A2: Missingness in the Indicators of Strength of Organized Labor

| Indicator | Total Missing | Percent Missing | Description |
|---|---|---|---|
| Minimum wage | 1 | 0.3 | Argentina in 2012 |
| Union Concentration | 1 | 0.3 | Venezuela in 2012 |
| Density | 33 | 10 | Data is not available for 2011 and 2012 for any of the countries, for Argentina 1980-1982, for Chile for 1980-1988, and for Peru 1980 |

# Appendix A3: Principal Component Factor Analysis

| Factor | Eigenvalue | Difference | Proportion | Cumulative |
|---|---|---|---|---|
| Factor 1 | 1.48 | 0.53 | 0.49 | 0.49 |
| Factor 2 | 0.95 | 0.37 | 0.32 | 0.81 |
| Factor 3 | 0.56 | . | 0.19 | 1.00 |
| Number of observations | 297 | | | |
| Retained factors | 1 | | | |
| LR Test: Chi$^2$(3)=63.97 | Prob>chi2 = 0.0000 | | | |

## Factor Loadings (Pattern Matrix) and Unique Variance

| Variable | Factor 1 | Uniqueness |
|---|---|---|
| Union density | 0.73 | 0.46 |
| Minimum wage | 0.49 | 0.76 |
| Union concentration | 0.83 | 0.31 |

# Appendix A4: Multicollinearity and Heteroskedasticity Tests

## Multicollinearity: VIF Test

| Variables | VIF |
|---|---|
| Strength of organized labor | 2.22 |
| Strength of organized labor*dummy | 1.93 |
| Legislative left-partisan balance | 2.10 |
| Legislative left-partisan balance*dummy | 7.70 |
| Cumulative years of democracy | 4.26 |
| Presidential constitutional powers | 2.22 |
| Presidential constitutional powers*dummy | 1.76 |
| LH control of the party of the president | 2.03 |
| LH control of the party*dummy | 5.52 |
| Dummy (1980–1999) | 10.93 |
| GDP per capita | 2.72 |
| Trade (% GDP) | 1.86 |
| Balance of payment | 1.24 |
| Mean VIF | 3.58 |

## Heteroskedasticity: Breusch-Pagan / Cook-Weisberg Test

| **Source** | **ss** | **Df** | **MS** |
|---|---|---|---|
| Model | 4740 | 13 | 364.63 |
| Residual | 3631 | 248 | 16.64 |
| Total | 8371 | 261 | 32.07 |

| **Number of observations** | **=** | **262** |
|---|---|---|
| F (13, 248) | = | 24.90 |
| Prob > F | = | 0.00 |
| R-squared | = | 0.57 |
| Adj R-squared | = | 0.54 |
| Root MSE | = | 3.83 |

| **Total Social Spending** | **Coef** | **SE** |
|---|---|---|
| Strength of organized labor | .16 | (.37) |
| Strength of organized labor*dummy | 1.49 | (.55) |
| Legislative left-partisan balance | -.49 | (1.04) |
| Legislative left-partisan balance*dummy | 1.60 | (1.51) |
| Cumulative years of democracy | .002 | (.04) |
| Presidential constitutional powers | -.85 | (.34) |
| Presidential constitutional powers*dummy | -1.62 | (.51) |
| LH control of the party of the president | -5.52 | (1.84) |
| LH control of the party*dummy | 8.12 | (2.93) |
| Dummy (1980–1999) | -.03 | (1.61) |
| GDP per capita | .001 | (.00) |
| Trade (% GDP) | -.04 | (.01) |
| Balance of payment | -.00 | (.00) |
| Constant | 8.80 | (1.39) |

## Breusch-Pagan / Cook-Weisberg Test for Heteroskedasticity

Ho: Constant variance

Variables: fitted values of total spending

chi2(1) = 1.22

Prob > chi2 = 0.2687

# Appendix A5: Regressions Including Ideological Position of the President

Determinants of Total, Social Security & Welfare, and Health Spending as a Percentage of GDP in South America: 1980–2010. Prais-Winsten PCSE

| | Total Social Spending | | Social Security Spending | | Health Spending | |
|---|---|---|---|---|---|---|
| Variables | Coef. | SE | Coef. | SE | Coef. | SE |
| Strength of organized labor | .71** | (.36) | .66*** | (.19) | .07 | (.10) |
| Ideology of the party of the president | .03 | (.03) | .06*** | (.02) | .02** | (.01) |
| Cumulative years of democracy | .23*** | (.03) | .12*** | (.02) | .04*** | (.01) |
| Presidential constitutional powers | -.60* | (.35) | -1.45 *** | (.28) | -.27*** | (.09) |
| LH control of the party of the president | .60 | (.58) | ..40 | (.40) | .07 | (.16) |
| GDP per capita | .00*** | (.00) | .00** | (.00) | .00*** | (.00) |
| Trade (% GDP) | -.02** | (.01) | -.01** | (.01) | -.00 | (.00) |
| Balance of payment | -.00 | (.00) | -.00 | (.00) | -.00 | (.00) |
| R$^2$ | .56 | | .75 | | .48 | |
| Rho | .94 | | .65 | | .89 | |
| Countries | 10 | | 10 | | 10 | |
| Observations | 258 | | 245 | | 258 | |

Note: LH = Lower House. Standard errors in parenthesis ***p≤0.01, **p≤0.05, *p≤0.1.

Determinants of Total, Social Security & Welfare, and Health Spending as a Percentage of GDP in South America: 1980–2010. Model with Interaction Terms with Dummy Variable (1980–1999 = 0; 2000–2010 = 1). Prais-Winsten PCSE

| | Total Social Spending | | Social Security Spending | | Health Spending | |
|---|---|---|---|---|---|---|
| Variables | Coef. | SE | Coef. | SE | Coef. | SE |
| Strength of organized labor | .88*** | (.32) | .67*** | (.19) | -.08 | (.08) |
| Strength of organized labor*dummy | .63.63* | (.33) | .001 | (.21) | .41*** | (.10) |
| Ideology of the party of the president | .10** | (.04) | .06** | (.03) | .03** | (.01) |
| Ideology of party of the president *dummy | -.04 | (.06) | .03 | (.03) | .02 | (.02) |
| Cumulative years of democracy | .20*** | (.03) | .13*** | (.02) | .03*** | (.01) |
| Presidential constitutional powers | -1.14 *** | (.28) | -.92*** | (.14) | -.27*** | (.08) |
| Presidential constitutional powers*dummy | -.78*** | (.30) | -.61*** | (.16) | -.22*** | (.07) |
| LH control of the party of the president | .13 | (.87) | .16 | (.60) | .18 | (.27) |

| | Total Social Spending | | Social Security Spending | | Health Spending | |
|---|---|---|---|---|---|---|
| LH control of the party*dummy | 1.58 | (1.02) | .62 | (.69) | -.07 | (.31) |
| Dummy (1980–1999) | .47 | (.61) | -.27 | (.36) | .29 | (.20) |
| GDP per capita | .00*** | (.00) | .00*** | (.00) | .00*** | (.00) |
| Trade (% GDP) | -.00 | (.01) | -.01** | (.01) | -.00 | (.00) |
| Balance of payment | -.00* | (.00) | -.00 | (.00) | -.00** | (.00) |
| R² | .77 | | .83 | | .64 | |
| Rho | .76 | | .53 | | .80 | |
| Countries | 10 | | 10 | | 10 | |
| Observations | 258 | | 245 | | 258 | |

Note: LH = Lower House. Standard errors in parenthesis ***p≤0.01, **p≤0.05, *p≤0.1.

## Interpretation of Interaction Terms from Table above (Years 2000–2010)

| | Total Social Spending | | Social Security Spending | | Health Spending | |
|---|---|---|---|---|---|---|
| Interaction Terms | Coef. | SE | Coef. | SE | Coef. | SE |
| Strength of organized labor* dummy | 1.52*** | (0.35) | .67*** | (.23) | .32*** | (.10) |
| Ideology of party of the president*dummy | .06 | (.04) | .09*** | (.02) | .04*** | (.01) |
| Presidential constitutional powers*dummy | -1.93 *** | (.36) | -1.52 *** | (.18) | -.49*** | (.09) |
| LH control of the party*dummy | 1.71** | (.66) | .78 | (.46) | .11 | (.18) |

Note: LH = Lower House. Standard errors in parenthesis ***p≤0.01, **p≤0.05, *p≤0.1. Coefficients, standard errors and t values for the interaction term have been calculated following Brambor, Clark, and Golder (2005).

## Determinants of Total, Social Security & Welfare, and Health Spending as a Percentage of GDP in South America: 1980–2010. Estimates Breaking the Predictor into a Within Effect (W) and a Cross-sectional Between (B) Part. Prais-Winsten PCSE

| | Total Social Spending | | Social Security Spending | | Health Spending | |
|---|---|---|---|---|---|---|
| Variables | Coef. | SE | Coef. | SE | Coef. | SE |
| Strength of labor movement (B) | 1.65*** | (.45) | .86* | (.51) | .27* | (.16) |
| Strength of labor movement (W) | .40 | (.38) | .04 | (.26) | -.03 | (.11) |
| Ideology of party of the president (B) | -1.33 *** | (.28) | -1.18 *** | (.27) | -.07 | (.07) |
| Ideology of party of the president (W) | .02 | (.03) | .03 | (.02) | .02** | (.01) |
| Cumulative years of democracy (B) | -.19** | (.09) | -.15** | (.08) | -.06*** | (.02) |
| Cumulative years of democracy (W) | .37*** | (.04) | .19*** | (.03) | .08*** | (.01) |
| Presidential constitutional powers (B) | .88 | (.63) | .34 | (.66) | .23 | (.17) |

| | Total Social Spending | | Social Security Spending | | Health Spending | |
|---|---|---|---|---|---|---|
| LH control of the party of the president(B) | 9.14*** | (3.07) | 3.60 | (3.11) | 1.59** | (.73) |
| LH control of the party of the president(W) | .77 | (.59) | .19 | (.39) | .06 | (.18) |
| GDP per capita (B) | .00*** | (.00) | .00*** | (.00) | .00*** | (.00) |
| GDP per capita (W) | -.00 | (.00) | -.00*** | (.00) | .00 | (.00) |
| Trade (% GDP) (B) | .05 | (.02) | .01 | (.02) | -.00 | (.00) |
| Trade (% GDP) (W) | -.05*** | (.01) | -.02*** | (.01) | -.00 | (.00) |
| Balance of payment (B) | -.00*** | (.00) | -.00*** | (.00) | -.00*** | (.00) |
| Balance of payment (W) | -.00** | (.00) | -.00 | (.00) | -.00* | (.00) |
| $R^2$ | .85 | | .71 | | .86 | |
| Rho | .96 | | .96 | | .59 | |
| Countries | 10 | | 10 | | 10 | |
| Observations | 258 | | 245 | | 258 | |

Note: LH = Lower House. Standard errors in parenthesis ***p≤0.01, **p≤0.05, *p≤0.1.

### Determinants of Total, Social Security, and Health Spending (as a % of GDP). Model with Interaction Terms (1980–1999 = 0, 2000–2010 = 1) and Breaking the Predictor into a Within Effect (W) and a Cross-sectional Between (B) Part. Prais-Winsten PSCE

| | Total Social Spending | | Social Security Spending | | Health Spending | |
|---|---|---|---|---|---|---|
| Variables | Coef. | SE | Coef. | SE | Coef. | SE |
| Strength of organized labor (B) | 1.80*** | (.38) | 1.25*** | (.30) | .18 | (.13) |
| Strength of organized labor (B)*dummy | .04 | (.39) | -.39 | (.29) | .33** | (.14) |
| Strength of organized labor (W) | -.14 | (.45) | -.25 | (.30) | -.24* | (.13) |
| Strength of organized labor (W)*dummy | 1.32** | (.65) | .74 | (.45) | .48** | (.19) |
| Ideology of party of the president (B) | -1.01 *** | (.19) | -.94*** | (.14) | -.02 | (.06) |
| Ideology of party of president (B)*dummy | .17 | (.13) | .22** | (.09) | -.07* | (.04) |
| Ideology of party of the president (W) | .03 | (.04) | .01 | (.03) | .00 | (.01) |
| Ideology of party of president (W)*dummy | .02 | (.06) | .08** | (.04) | .04** | (.02) |
| Cumulative years of democracy (B) | -.18*** | (.07) | -.12*** | (.04) | -.05*** | (.02) |
| Cumulative years of democracy (W) | .35*** | (.04) | .16*** | (.02) | .05*** | (.01) |
| Presidential constitutional powers (B) | .95* | (.51) | .34 | (.28) | .28* | (.15) |
| Presidential const. powers (B) * dummy | -.77** | (.31) | -.42** | (.18) | -.25*** | (.08) |

| | **Total Social Spending** | | **Social Security Spending** | | **Health Spending** | |
|---|---|---|---|---|---|---|
| LH control of the party of the president(B) | 8.43*** | (2.38) | .88 | (1.70) | 1.42** | (.62) |
| LH control of the party (B) * dummy | 6.49* | (3.85) | 5.27** | (2.29) | -1.35 | (1.05) |
| LH control of the party of the president(W) | -.51 | (.99) | -.25 | (.61) | -.07 | (.31) |
| LH control of the party (W) * dummy | 2.39** | (1.19) | .98 | (.77) | .19 | (.36) |
| Dummy variable (1980–1999) | -2.47* | (1.37) | -2.64*** | (.88) | .96** | (.42) |
| GDP per capita (B) | .00*** | (.00) | .00*** | (.00) | .00*** | (.00) |
| GDP per capita (W) | -.00 | (.00) | -.00*** | (.00) | .00 | (.00) |
| Trade (% GDP) (B) | .04*** | (.01) | .01 | (.00) | -.00 | (.00) |
| Trade (% GDP) (W) | -.04*** | (.01) | -.02*** | (.01) | -.00 | (.00) |
| Balance of payment (B) | -.00*** | (.00) | -.00*** | (.00) | -.00*** | (.00) |
| Balance of payment (W) | -.00*** | (.00) | -.00 | (.00) | -.00** | (.00) |
| $R^2$ | .92 | | .89 | | .90 | |
| Rho | .79 | | .72 | | .55 | |
| Countries | 10 | | 10 | | 10 | |
| Observations | 258 | | 245 | | 258 | |

Note: LH = Lower House. Standard errors in parenthesis ***p≤0.01, **p≤0.05, *p≤0.1.

### Interpretation of Interaction Terms from Table above (2000–2010)

| | **Total Social Spending** | | **Social Security Spending** | | **Health Spending** | |
|---|---|---|---|---|---|---|
| Variables | Coef. | SE | Coef. | SE | Coef. | SE |
| Strength of organized labor (B)*dummy | 1.84*** | (.42) | .87*** | (.31) | .51*** | (.14) |
| Strength of organized labor (W)*dummy | 1.18*** | (.54) | .49 | (.38) | .24 | (.15) |
| Ideology of party of president (B)*dummy | -.85*** | (.19) | -.72*** | (.14) | -.09 | (.07) |
| Ideology of party of president(W)* dummy | .05 | (.04) | .09*** | (.03) | .04*** | (.01) |
| Presidential const. powers (B) * dummy | .18 | (.54) | -.08 | (.30) | .03 | (.15) |
| LH control of the party (B) * dummy | 14.9*** | (3.41) | 6.15** | (2.29) | .06 | (.97) |
| LH control of the party (W) * dummy | 1.88*** | (.70) | .72 | (.46) | .12 | (.20) |

Note: LH = Lower House. Standard errors in parenthesis ***p≤0.01, **p≤0.05, *p≤0.1. Coefficients, standard errors and t-values for the interaction term have been calculated following Brambor, Clark, and Golder (2005).

# Appendix A6: Regressions Including a Dummy for Years in Which the Country Has an Ongoing Agreement with the IMF

Determinants of Total, Social Security & Welfare, and Health Spending as a Percentage of GDP in South America: 1980–2010. Model with Interaction Terms with Dummy Variable (Agreement with IMF = 0; No Agreement with IMF = 1). Prais-Winsten PCSE

| | **Total Social Spending** | | **Social Security Spending** | | **Health Spending** | |
|---|---|---|---|---|---|---|
| Variables | Coef. | SE | Coef. | SE | Coef. | SE |
| Strength of organized labor | .63* | (.35) | .51** | (.23) | .10 | (.11) |
| Strength of organized labor*dummy | .65.65 ** | (.26) | .31* | (.19) | .01 | (.08) |
| Legislative left-partisan balance | .40 | (.65) | .49 | (.45) | .22 | (.19) |
| Legislative left-partisan balance*dummy | -1.90 *** | (.68) | -.72 | (.48) | -.15 | (.18) |
| Cumulative years of democracy | .24*** | (.04) | .07*** | (.02) | .03*** | (.01) |
| Presidential constitutional powers | -.72** | (.34) | -.74*** | (.12) | -.22*** | (.07) |
| Presidential constitutional powers*dummy | -.06 | (.17) | -.10 | (.10) | -.04 | (.05) |
| LH control of the party of the president | .20 | (.78) | .30 | (.57) | -.08 | (.22) |
| LH control of the party*dummy | .91 | (.98) | -.63 | (.69) | .20 | (.28) |
| Dummy (Agreement with IMF) | 1.42** | (.56) | .36 | (.40) | .10 | (.15) |
| GDP per capita | .00*** | (.00) | .00*** | (.00) | .00*** | (.00) |
| Trade (% GDP) | -.02* | (.01) | -.01 | (.01) | -.00 | (.00) |
| Balance of payment | -.00 | (.00) | -.00 | (.00) | -.00 | (.00) |
| $R^2$ | .66 | | .68 | | .61 | |
| Rho | .90 | | .75 | | .84 | |
| Countries | 10 | | 10 | | 10 | |
| Observations | 262 | | 249 | | 262 | |

Note: LH = Lower House. Standard errors in parenthesis ***p≤0.01, **p≤0.05, *p≤0.1.

### Interpretation of Interaction Terms from Table above (No Agreement with IMF)

| | Total Social Spending | | Social Security Spending | | Health Spending | |
|---|---|---|---|---|---|---|
| Interaction Terms | Coef. | SE | Coef. | SE | Coef. | SE |
| Strength of organized labor*dummy | 1.28*** | ( .38) | .81*** | (.23) | .10 | (.11) |
| Legislative left-partisan balance *dummy | -1.50*** | (.56) | -.23 | (.43) | .07 | (.14) |
| Presidential constitutional powers*dummy | -.79*** | (.34) | -.83*** | (.13) | -.25*** | (.07) |
| LH control of the party*dummy | 1.10 | (.73) | -.33 | (.51) | .12 | (.21) |

Note: LH = Lower House. Standard errors in parenthesis ***p≤0.01, **p≤0.05, *p≤0.1. Coefficients, standard errors and t values for the interaction term have been calculated following Brambor, Clark, and Golder (2005).

### Determinants of Total, Social Security, and Health Spending (as a % of GDP). Model with Interaction Terms (Agreement with IMF = 0; No Agreement with IMF = 1) and Breaking the Predictor into a Within Effect (W) and a Cross-sectional Between (B) Part. Prais-Winsten PSCE

| | Total Social Spending | | Social Security Spending | | Health Spending | |
|---|---|---|---|---|---|---|
| Variables | Coef. | SE | Coef. | SE | Coef. | SE |
| Strength of organized labor (B) | 2.12*** | (.44) | 1.11*** | (.43) | .39*** | (.13) |
| Strength of organized labor (B)*dummy | .71** | (.28) | .29 | (.22) | .02 | (.11) |
| Strength of organized labor (W) | .28 | (.39) | .27 | (.30) | -.10 | (.12) |
| Strength of organized labor (W)*dummy | .75* | (.45) | .46 | (.37) | .16 | (.13) |
| Legislative left-partisan balance (B) | 1.64 | (1.54) | .06 | (.80) | -.81 | (.50) |
| Legislative left-partisan balance (B)*dummy | -2.57*** | (.90) | -1.52*** | (.53) | .25 | (.25) |
| Legislative left-partisan balance (W) | .002 | (.55) | -.01 | (.40) | .37** | (.15) |
| Legislative left-partisan balance (W)*dummy | -1.15* | (.68) | .23 | (.53) | -.21 | (.17) |
| Cumulative years of democracy (B) | .01 | (.07) | .04 | (.05) | -.01 | (.02) |
| Cumulative years of democracy (W) | .43*** | (.03) | .17*** | (.02) | .09*** | (.01) |
| Presidential constitutional powers (B) | -.77* | (.45) | -1.03*** | (.25) | .06 | (.13) |
| Presidential const. powers (B) *dummy | -.03 | (.17) | -.004 | (.09) | -.04 | (.05) |

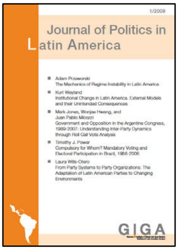
| | Total Social Spending | | Social Security Spending | | Health Spending | |
|---|---|---|---|---|---|---|
| LH control of the party of the president(B) | -5.75 | (3.57) | -9.46 *** | (2.68) | .98 | (1.19) |
| LH control of the party (B) *dummy | 3.31 | (2.76) | 2.57 | (1.81) | -.33 | (.87) |
| LH control of the party of the president(W) | .71 | (.78) | .16 | (.56) | -.01 | (.21) |
| LH control of the party (W) *dummy | .94 | (.96) | -.40 | (.62) | .35 | (.26) |
| Dummy variable (Agreement with IMF) | 1.23 | (.96) | .19 | (.57) | -.02 | (.30) |
| GDP per capita (B) | .00*** | (.00) | .00*** | (.00) | .00*** | (.00) |
| GDP per capita (W) | -.00 | (.00) | -.00* | (.00) | .00 | (.00) |
| Trade (% GDP) (B) | .06*** | (.02) | .04** | (.02) | .00 | (.00) |
| Trade (% GDP) (W) | -.05*** | (.01) | -.00* | (.00) | -.00** | (.00) |
| Balance of payment (B) | -.00*** | (.00) | -.00*** | (.00) | -.00*** | (.00) |
| Balance of payment (W) | -.00** | (.00) | -.00 | (.00) | -.00 | (.00) |
| $R^2$ | .91 | | .84 | | .86 | |
| Rho | .55 | | .66 | | .56 | |
| Countries | 10 | | 10 | | 10 | |
| Observations | 283 | | 269 | | 283 | |

Note: LH = Lower House. Standard errors in parenthesis ***p≤0.01, **p≤0.05, *p≤0.1.

### Interpretation of Interaction Terms from Table above (No Agreement with IMF)

| | Total Social Spending | | Social Security Spending | | Health Spending | |
|---|---|---|---|---|---|---|
| Variables | Coef. | SE | Coef. | SE | Coef. | SE |
| Strength of organized labor (B)*dummy | 2.83*** | (.44) | 1.40 *** | (.42) | .41*** | (.13) |
| Strength of organized labor (W)*dummy | 1.03*** | (.49) | .72* | (.37) | .06 | (.14) |
| Legislative left-partisan balance (B)*dummy | -.92 | (1.62) | -1.46 | (.86) | -.56 | (.51) |
| Legislative left-partisan balance(W)* dummy | -1.15 *** | (.55) | .22 | (.41) | .16 | (.14) |
| Presidential const. powers (B) *dummy | -.79 | (.44) | -1.03 *** | (.24) | .01 | (.13) |
| LH control of the party (B) *dummy | -2.44 | (3.61) | -6.89 *** | (2.64) | .65 | (1.19) |
| LH control of the party (W) *dummy | 1.64*** | (.67) | -.24 | (.42) | .34* | (.15) |

Note: LH = Lower House. Standard errors in parenthesis ***p≤0.01, **p≤0.05, *p≤0.1. Coefficients, standard errors and t-values for the interaction term have been calculated following Brambor, Clark, and Golder (2005).



# Journal of Politics in Latin America

Handlin, Samuel (2015),
NGOs, International Donors, and the Postmaterial Disjuncture in Latin America,
in: *Journal of Politics in Latin America*, 7, 2, 43–70.

URN: http://nbn-resolving.org/urn/resolver.pl?urn:nbn:de:gbv:18-4-8530

ISSN: 1868-4890 (online), ISSN: 1866-802X (print)

The online version of this article can be found at: <www.jpla.org>

Published by
GIGA German Institute of Global and Area Studies, Institute of Latin American Studies
and Hamburg University Press.

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Journal of Politics in Latin America 2/2015: 43–70 GIGA

# NGOs, International Donors, and the Postmaterial Disjuncture in Latin America

Samuel Handlin

**Abstract**: NGOs have proliferated in the developing world, assuming key political roles as intermediary organizations representing public interests. Yet at least in the three Latin American countries examined here, the proportion of the NGO sector focused on postmaterial issues massively outpaces the proportion of the mass public that considers these issues highly salient. This article demonstrates this "postmaterial disjuncture" and theorizes that international donors help drive it by favoring NGOs that pursue postmaterial issues. This hypothesis is evaluated by analyzing a unique dataset containing information on over 700 NGOs. Organizations pursuing postmaterial issues are more than three times likely to receive international funding than are otherwise identical NGOs pursuing material issues. While international donors may be well intentioned, their postmaterial agendas shape the issue orientation of the NGO sector, resulting in potentially adverse consequences for its ability to effectively represent mass interests.

- Manuscript received 6 September 2014; accepted 12 May 2015

**Keywords**: Latin America, NGOs, foreign aid, interest representation

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# Introduction

Nongovernmental organizations (NGOs) have multiplied in Latin America and other developing regions during the last decades. This trend has spawned a huge outpouring of research, two lines of which are particularly critical for the concerns of this article. First, many recent studies have explored the political and social roles played by NGOs. While early research tended to focus on service provision, more recent scholarship has also highlighted the political activities of NGOs, which consist of lobbying elected officials, serving on official policy-making and governance boards, managing public awareness campaigns, engaging in electoral activities in support of partisan allies, and attempting to enhance the accountability of governments to their citizenry (Bratton 1989; Clark 1991; Carroll 1992; Edwards and Hulme 1996; Hulme and Edwards 1997; Brown, Brown, and Desposato 2002, 2007; Boulding and Gibson 2009; Collier and Handlin 2009; Boulding 2010; Brass 2012a; Brass 2012b; Rich 2013). Studies thus suggest that the NGO sector constitutes an important and powerful set of actors in the polities of the developing world. Second, many studies have explored the role of international donors – such as United Nations agencies, the European Union, the bilateral aid agencies of individual Western governments, international nongovernmental organizations (INGOs) and transnational social movements, and major private foundations – in driving the proliferation of NGOs in developing countries and the unexpected consequences that have sometimes resulted regarding the operation and nature of this newly important NGO sector (Hulme and Edwards 1997; Henderson 2002; Stiles 2002; Ebrahim 2003; Bebbington 2005; Reimann 2006; Bano 2008; Boulding 2013).

This article makes the case for another unexpected consequence that has gone largely unrecognized: the existence of a significant disjuncture between the salience of "postmaterial" issues within the NGO sector and the salience of these issues among the mass public. The proportion of the NGO sector in Argentina, Chile, and Peru primarily devoted to pursuing postmaterial issues such as environmental protection, human rights, citizenship and civil society promotion, and racial and gender equality vastly outpaces the proportion of citizens that consider these issues to be of particularly high salience. While about 27 percent of the NGO sector across the three countries is primarily oriented toward postmaterial issues, less than 2 percent of the population in each country considers one of these issues to be of greatest import to them – a conventional measure of issue salience. This disjuncture raises questions about the capacity of the NGO sector to effectively channel and represent the interests of mass publics. It is also normatively troubling in Latin America given the region's high levels of material deprivation and some countries' massive problems with citizen security, which are issues of much greater concern to these populations. In sum, there are many good reasons to recognize the existence of this postmaterial disjuncture, open a scholarly conversation about its implications, and explore its roots.

The broader theoretical argument of this article is that international donors have helped to drive this disjuncture. As noted, many scholars argue that international donors have provided crucial financial and logistical resources to NGOs in developing countries, spurring their proliferation. I argue that international donors, considered in aggregate, strongly favor postmaterial NGOs when bestowing these resources and thus drive their relative proliferation. To be clear, international donors fund NGOs pursuing many different issues, including classic material concerns such as social services, poverty, and employment. However, many international donors – for example, INGOs focused on environmental issues and human rights, private foundations geared toward helping "advocacy NGOs," and foreign governments channeling money to NGOs for the purposes of democracy assistance – are especially likely to support postmaterial NGOs. Taken as a whole, international donors therefore contribute not just to a rapid increase in NGOs in general in the developing world, but also to a specific growth of postmaterial NGOs vis-à-vis other kinds of organizations.

To test the hypothesis that international donors favor postmaterial NGOs, this article draws upon a unique dataset containing information on over 700 NGOs in Argentina, Chile, and Peru. Most studies of NGOs in developing countries take the form of in-depth case studies or statistical analyses of a moderate number of organizations involved in the same issue area. Neither of these approaches adopts a broad enough perspective on the NGO sector to adequately assess its aggregate degree of emphasis on certain kinds of issues or explore the relationship between issue orientation and the receipt of foreign funding. The dataset utilized in this paper therefore offers an unusual perspective on the question.

The results presented in this article strongly support the theory. Postmaterial issue orientation is a powerful predictor of foreign funding, a relationship robust to the inclusion of various combinations of control variables and to the analysis of the full sample or each country subsample. Further, the effect of postmaterial issue orientation on the likelihood of receiving foreign funding is huge. Postmaterial NGOs are over three times more likely (a probability of .25 versus .08) to receive foreign funding than are otherwise identical NGOs pursuing material issues. De facto disparities between postmaterial and material NGOs are even more substantial if we examine the likelihood of funding not just across issue orientation but also consider the related concerns of the socioeconomic profiles of communities in which NGOs operate. A postmaterial NGO based in an upper-middle-class neighborhood, a location common for many such organizations, is nearly seven times more likely (a probability of .34 versus .05) to receive foreign funding than is a material NGO – for example, a soup kitchen – based in a poor barrio, a location much more typical of these organizations given their need to operate among in-need populations.

## The NGO Sector in Developing Countries and the Postmaterial Disjuncture

The last decades of the twentieth century saw an explosion of NGOs in developing countries and a corresponding surge in academic interest. Determining the exact number of NGOs in a given country is notoriously difficult. There is no universally recognized definition of an NGO and scholars often disagree on what kinds of organizations should be placed under this rubric.[1] Moreover, data on the existence of NGOs is usually unavailable and, when available, generally unreliable. Nevertheless, scholars point to an array of evidence suggesting a huge expansion of the NGO sector in developing countries during the last few decades (Bratton 1989; Clark 1991; Carroll 1992; Edwards and Hulme 1996; Hulme and Edwards 1997; Reimann 2006). Consequently, the rise and role of the NGO sector has been a major focus of research on new democracies and the politics of development.

Research on this trend has increasingly focused on the roles of NGOs in domestic politics. Scholars have examined the influence of NGOs in lobbying governments and serving on policy boards – activities that have seen NGOs compared to organized interest groups in advanced democracies (Clarke 1998; Brass 2012a; Rich 2013). Some researchers have looked at the ability of NGOs to mobilize public opinion and shape electoral outcomes (Brown, Brown, and Desposato 2002, 2007; Boulding and Gibson 2009). Others, meanwhile, have focused on the link between NGOs and other forms of popular participation and protest (Boulding 2010). In short, researchers increasingly concur that NGOs play important roles as representatives or intermediary organizations in the interest systems of the younger democracies of the developing world. This line of scholarship is particularly well developed in Latin America, where studies even suggest that networks of NGOs form the basis of an entirely new pattern of postindustrial interest politics and have supplanted labor unions as the key organizations of popular-sector interest intermediation (Collier and Handlin 2009).

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[1] There is broad agreement that certain kinds of organizations such as businesses, churches, universities, and chambers of commerce should not be counted even if they are technically “nongovernmental” organizations. Within the more limited subset of organizations, scholars disagree on whether the NGO rubric should extend to all such groups, including grassroots organizations, or whether it should be reserved specifically for more institutionalized organizations. Following much of the literature, this article adopts the more encompassing definition.

Given its political significance, issue orientation within the NGO sector has great theoretical and substantive implications. A major claim of this article is that the salience of postmaterial issues within the NGO sector in the three Latin American countries for which data is available – and perhaps elsewhere as well – is strikingly higher than among the mass public, reflecting a consequential disjuncture between intermediary organizations and the populations whose interests they often seek to represent. This claim is relatively novel, such that one contribution of this paper is simply to draw attention to this descriptive finding.

The concept of postmaterialism has been frequently deployed in the social sciences to capture a set of values and issues that rose in salience in the advanced industrial countries in the postwar era. Contrasted specifically with materialism, which centers on economic and physical security, postmaterialism connotes – at an abstract level – values that are fundamental to “quality of life,” such as rights, autonomy, and self-expression. When deployed at the more specific level of issues, postmaterialism has been most associated with human rights, the deepening of democracy and popular participation in governance, environmental protection, and social equality along the lines of race/ethnicity, gender, or sexual orientation. In a series of pieces on postmaterialism that established the research agenda, Inglehart argued that the increasing affluence in advanced industrial countries was the principle driver of the rising salience of postmaterial values and issues (Inglehart 1971, 1977, 1987). As greater proportions of the population saw their material needs met, they were free to place more emphasis on postmaterial values, which ultimately translated into postmaterial issues increasing in salience.[2] Importantly, then, postmaterialism is a concept that captures a specific set of nonmaterial values and issues, not the broader category of all values and issues that are not material in nature.

To empirically assess the possibility of a postmaterial disjuncture, we need to measure the salience of these postmaterial issues among NGOs and the mass public. For these purposes, I consider a postmaterial issue to include any of the following: environmental protection, human rights, women's rights, racial and ethnic equality, the deepening of democracy through the promotion of citizenship and participation, and support for civil society. Following a huge tradition of behavioral research, I treat (for an individual or NGO) a salient issue to be one deemed particularly important relative to others. The inherently relative nature of the salience concept deserves emphasis. A salient issue is not just one that an individual cares about in the abstract, but is one the individual cares more about than others and is willing to highly prioritize.

To assess postmaterial issue salience among mass publics, I utilize data from the 2003 Latinobarómetro. This particular year was chosen in order to match the data (described below) available on NGOs and to also compare these findings with the Latin American Public Opinion Project (LAPOP). The Latinobarómetro survey asks respondents to name the political issue that is most important, producing responses coded by the survey firm into 21 different categories. I then recoded these responses to "postmaterial" (the set of issues mentioned above), "material" (issues related to employment, poverty, infrastructure, or basic services such as health and education), or "other" (issues that fit neither the "material" nor "postmaterial" categories, such as crime and violence, corruption, and partisan activism).[3] While we might imagine other ways to measure issue salience, there are three reasons for using the "most important" measure used in this article. First, this is an extremely common measure of issue salience in public opinion research in the United States as well as in comparative politics (McCombs and Shaw 1972; Soroka 2002; Singer 2011). Second, the measure is most directly comparable with the available data (see below) on issue salience among NGOs, which likewise ascertain what respondents believe to be the most important issue that they address. Finally, cross-national surveys such as Latinobarómetro and LAPOP simply do not provide the data necessary to construct alternative measures, such as those that ask respondents to rank-order issues in a list. Importantly, it should be emphasized that we should not necessarily conclude that those who do not list a postmaterial issue as most important do not care about such issues at all. Rather, as with other research on issue salience, the goal is to measure whether an individual considers a postmaterial issue particularly important relative to others.

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[2] Inglehart's work on postmaterialism has stirred significant debate, with scholars raising questions about his thesis (Brooks and Manza 1994) and his measurement strategy (Davis and Davenport 1999). For the purposes of this article, however, these debates are not particularly consequential.

[3] In categorizing postmaterial and material issues, I followed common practices in scholarship on postmaterialism as much as possible. While the proper categorization of most issues is clear, other issues present thornier problems. For instance, education might be plausibly linked to postmaterial values such as "self-expression." Yet the quality of education also bears directly on labor market outcomes, and improving educational quality is often seen as a cornerstone of "propoor" social policy in the developing world. In my judgment, the latter dynamics outweigh the former with regard to NGO participation in the education sector in Latin America; therefore, education was treated as a material is-

Assessing issue salience among the NGO sector is more difficult. Because the NGO rubric covers a large number and wide variety of organizations, comprehensive lists of NGOs, out of which one might randomly sample in order to draw inferences about the entire population, simply do not exist. While a great deal has been written about NGOs, studies almost never seek to make inferences about entire populations of NGOs. Even more importantly, given that this study is motivated by the NGO sector's status as an important set of interest organizations shaping politics, a representative sample of the entire population of NGOs is actually not desirable. For example, this kind of sample treats a tiny NGO in a small rural town, which serves a small population and is likely divorced from centers of political power, as equivalent to a large NGO in the capital city, which likely caters to a much larger population and is potentially capable of influencing national-level policy makers. Just as studies of labor politics rarely seek to randomly sample all labor unions and locals in a country or make inferences about the national population of unions, concentrating instead on groups of unions and federations that are particularly large and politically connected, this study explicitly seeks to make inferences about only a core segment of the NGO sector. For both pragmatic and theoretical reasons, then, this article examines the postmaterial disjuncture using survey data from a large sample of NGOs from the capital cities of Argentina, Chile, and

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sue. Nevertheless, it is important to acknowledge that, at least in some cases, postmaterial issues may have material implications and vice versa.

Peru.[4] The sample is intended to capture many of the most politically important and active NGOs in each country, while being drawn from cities that themselves contain wide swaths (26–33 percent) of the national population. In this survey, leaders of each NGO were asked to name the most important issue for their organization, mirroring the question utilized to assess postmaterial issue salience among individuals. I then recoded these responses to the "postmaterial," "material," or "other" categories using the identical coding rules utilized for the individual-level data.[5]

With these two data sources, we can compare the level of postmaterial issue salience among individuals to that among NGOs. The two leftmost bar clusters in Figure 1 show the proportion of individuals in each country who consider a postmaterial or material issue to be most important to them. Mass publics in these countries are overwhelmingly most concerned with material issues, with 72–80 percent of each population listing one such issue as their primary preoccupation. In contrast, postmaterial issues barely register, with less than 2 percent of the population in each country considering a postmaterial issue to be their primary concern.[6] These extremely low levels of issue salience can also be found in other surveys. For example, data from LAPOP's 2006 America's Barometer (the LAPOP survey temporally closest to the 2003 NGO survey) suggests that only 2.2 percent of Chileans and 3.1 percent of Peruvians considered a postmaterial issue most important.[7] Research on issue salience using data from the Comparative Study of Electoral Systems reaches similar conclusions about the extremely low salience of these issues in Latin American cases (Singer 2011: 294–295).

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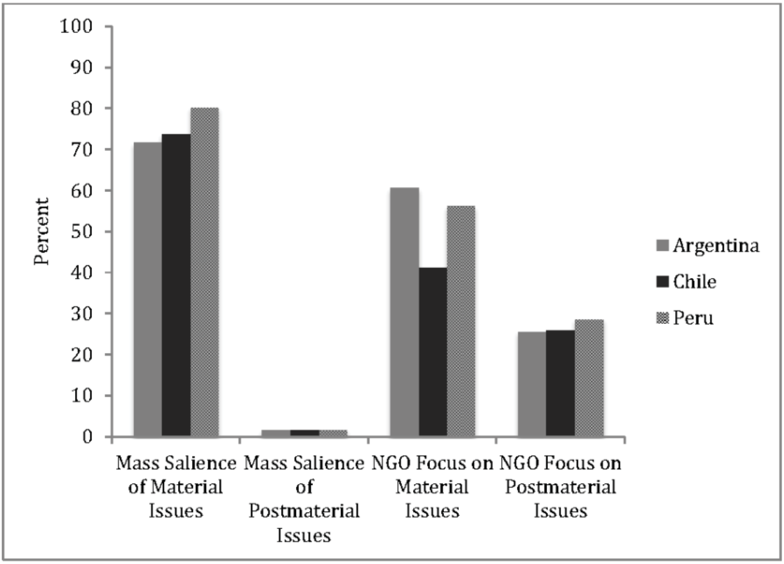
[4] This survey was conducted in 2003, with samples in each country generated through a stratified chain-referral technique designed to generate 240 response NGOs. In each capital city, chain-referral samples of 30 NGOs were gathered in eight different districts (which were chosen to maximize variation on both political and socioeconomic variables). Researchers started at a preselected initial NGO and then selected further NGOs to interview based on referrals. Notably, the initial starting NGOs in each country were all devoted to material issues. Therefore, the chain-referral nature of the sample was likely biased against finding such a high proportion of postmaterial NGOs. For more information on how the districts were selected and other aspects of the chain-referral sampling procedure, see the appendices in Collier and Handlin 2009.

[5] In some cases, the issue cited by an NGO as most important was impossible to reliably categorize – one example is "programming for youth and children." In these cases, I utilized a follow-up question on the second most important issue in order to categorize the NGO.

[6] The relative salience of postmaterial issues among the mass public might be higher if other measures were available, such as one asking respondents to list their two or three biggest concerns rather than their single most important issue. But this is also true of the NGOs.

Figure 1: Postmaterial Bias in the NGO Sector



Source: Latinobarómetro 2003 and survey of NGOs from Collier and Handlin (2009)

The two rightmost bar clusters in Figure 1 display the proportion of the NGO sector in each country primarily oriented toward postmaterial and material issues. Postmaterial NGOs make up a substantial 26–29 percent of the NGO sector in each case. As one might expect, material NGOs outnumber postmaterial NGOs in all three countries – but only by an aggregate proportion of almost exactly 2:1. Thus the gap between material and postmaterial NGOs is surprisingly small. The substantial proportion of postmaterial NGOs, both in raw terms and in comparison to material NGOs, is particularly noteworthy given that the starting points for the chain-referral sample in each country were material NGOs. The sampling strategy was therefore biased against finding such a high proportion of postmaterial NGOs.[8] A chain-referral sample in which the starting points were postmaterial NGOs would likely have found an even higher proportion of such organizations.

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[7] The America's Barometer did not cover Argentina in 2006. Later surveys that did extend to Argentina suggest similarly low levels of postmaterial issue salience.

A significant disjuncture therefore exists between postmaterial issue salience among the NGO sector and among the populations those organizations seek to represent, which has significant implications for scholars studying the NGO sector in Latin America and other developing regions. Research on NGOs and civil society has become more circumspect over time. Rather than reflexively lionizing NGOs, scholars highlight their strengths and weaknesses as intermediary organizations and political actors. This article contributes to this trend by illuminating the postmaterial disjuncture.[9] This characteristic is particularly critical because NGOs often cast their missions specifically in terms of the representation of public interests, and because scholars sometimes portray the burgeoning NGO sector as filling gaps in mass representation that are not well addressed by other intermediary organizations.

Greater attention to this descriptive finding might also help balance other tendencies within research on NGOs in developing countries. Scholarship often emphasizes the role of NGOs in service delivery or portrays the NGO sector as "propoor" (White 1999). It is true that a large proportion of NGOs do focus on basic material issues such as poverty, employment, and social services. Nevertheless, the proportion of NGOs that devote their time to material issues is much smaller than the proportion of the public that considers them critical. While poverty in Latin America has seen recent declines, the regional poverty rate remains above 30 percent. Further, the poverty rate severely underestimates the proportion of households that live in substantial material risk and are only a lost job, unexpected illness, or other calamity away from financial ruin. Unlike advanced countries, the region has not seen the substantial increases in living standards that free populations from material risk and allow them to prioritize postmaterial concerns. In this sense, there is arguably an "undersupply" of material NGOs in Latin America, which complicates the idea of an NGO sector geared toward addressing the needs and interests of the disadvantaged.

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[8] No one issue dominates in the "postmaterial" category. The most frequently cited postmaterial issue was the promotion of citizenship and participation, making up roughly 5 percent of the total NGO population. Therefore, changes to the coding rules for postmaterial issues are unlikely to produce different conclusions regarding the extent of the postmaterial disjuncture.

[9] Material NGOs may be relatively more prevalent in regions like Africa where states fail to provide basic services to a higher degree. Note, however, that state incapacity to provide basic material services has also plagued many countries in Latin America, including Peru.

The implications of the postmaterial disjuncture for how the NGO sector operates in practice – for example, whether postmaterial NGOs "crowd out" material NGOs in some aspects of politics or the degree to which different organizations cooperate – are beyond the scope of this article. Such questions require deeper investigation that will likely involve case studies that allow for a closer and more nuanced examination of the issues at hand. The point for present purposes is that the postmaterial disjuncture is notable in its own right; it shifts our understanding of the NGO sector in important ways and calls for explanation.

## Explaining the Postmaterial Disjuncture: The Role of International Donors

What explains the surprisingly high number of postmaterial NGOs in Latin America? Undoubtedly, many factors shape the contours of the NGO sector, such that a thorough assessment is well beyond the scope of a single article. Rather, I investigate the specific hypothesis that international donors have contributed to the relative proliferation of postmaterial NGOs. This hypothesis contains two distinct propositions, which should be untangled for clarity and better illustration of how empirical testing is applied. The first proposition, common in scholarship on NGOs, is that foreign funding has contributed to the rapid increase in NGOs in developing countries by incentivizing people to form NGOs and by helping recipient NGOs sustain their activities. This proposition is not tested in this article but instead treated as an assumption. The second proposition, which remains relatively unexplored but is empirically tested in this paper, is that foreign funding flows disproportionately to NGOs with a postmaterial issue orientation. Putting the two propositions together, we get the hypothesis that foreign funders have driven a relative proliferation of postmaterial NGOs by favoring these types of organizations.

Scholars studying the escalation of NGO activity have frequently emphasized the role of foreign donors. As one summary assessment noted, "In the past two decades an explosion of new international opportunities for funding and participation of NGOs has created a structural environment highly conducive to NGO growth" (Reimann 2006). Scholars have taken several approaches to bring empirical evidence to bear on these arguments. Some studies stress a strong aggregate relationship between the burgeoning number of NGOs in the developing world and sharp increases in foreign funding for NGOs that began in the 1980s (Hulme and Edwards 1997). Taking a similarly macrolevel perspective, others detail the diversity of foreign donors and their programs specifically geared toward supporting and fostering NGOs (Reimann 2006). Another group of studies examines the NGO–donor relationship on the microlevel, chronicling the importance of foreign funding and logistical support to NGOs as well as the frequently doubled-edged nature of these relationships (Edwards and Hulme 1996; Henderson 2002; Stiles 2002; Ebrahim 2003; Bebbington 2005; Bano 2008). Others critically examine specific donor institutions, such as the World Bank, and how well their efforts to support, fund, and partner NGOs work in practice (Nelson 1995; Fox and Brown 1998). In sum, many types of studies concur that international donors have contributed to the rapid increase in NGOs. If we take this as an assumption, it stands to reason that international donors that potentially favor postmaterial recipient organizations when bestowing their resources could well be helping to drive a *relative* proliferation of postmaterial NGOs vis-à-vis nonpostmaterial organizations.

But do international donors really favor postmaterial NGOs? There are numerous reasons to believe so. Naturally, many foreign donors also support NGOs involved with material concerns, and some donor programs do so almost exclusively. But several major donor groups are quite strongly geared toward issues in the "postmaterial" category. One such group is that comprised of donors focused on "democracy assistance," including the bilateral agencies of national governments or the array of semigovernmental foundations established by Western powers, such as the National Endowment for Democracy, the International Center for Human Rights and Democratic Development, and the Olaf Palme International Center. Foreign aid has increasingly taken the form of "political aid," funding intended to deepen democracies in the developing world or to strengthen antiauthoritarian movements (Carothers 1997; Crawford 2001; Mendelson and Glenn 2002). As such, it is weighted not toward material NGOs engaged in core poverty-related issues, but rather toward NGOs pursuing human rights, citizen empowerment, and various forms of social equality.

Another donor group with a clear orientation toward funding postmaterial NGOs consists of societal organizations based in the developed world and variously conceptualized as INGOs or transnational advocacy movements. As the relative salience of postmaterial values and issues increased in the advanced industrial countries in the latter decades of the twentieth century, social movements and NGOs geared toward postmaterial goals and causes became more influential (Laclau and Mouffe 1985). This trend eventually spawned groups with international reach, such that the most prominent and active INGOs and transnational advocacy organizations have frequently been geared toward postmaterial issues such as the environment, gender equality, and human rights (Keck and Sikkink 1998; Tsutsui and Wotipka 2004; Schofer and Hironaka 2005; Tarrow 2005). INGOs that focus on poverty and other material issues certainly exist. And it is difficult to draw firm conclusions about the relative balance between material and postmaterial groups within the INGO population. Nevertheless, extant research suggests that postmaterial INGOs and transnational advocacy groups are particularly prominent and active in supporting NGOs in developing countries.

The last decades also saw the emergence of numerous private foundations based in the developed world, which rapidly ramped up the level of foreign aid they distributed and the amount of such aid flowing to NGOs. These organizations – examples of which include the Gates Foundation, Global Fund for Women, Hewlett Foundation, and Rockefeller Foundation – give funds directly to developing-world NGOs as well as a variety of INGOs and transnational advocacy groups, which themselves then often partner NGOs in the developing world. Foundations differ in their issue priorities but, as a whole, are strongly oriented toward the kinds of "advocacy NGOs" that often embrace postmaterial issues like the environment, civil society promotion, human rights, and women's rights. One analysis of the 12 largest foundations found that 63 percent of their projects involved the funding of advocacy NGOs (Reimann 2006).

While there is substantial reason to believe that international donors, in aggregate, might favor NGOs that pursue postmaterial issues, the relationship between NGOs' pursuit of postmaterial issues and their acquisition of international financing is ultimately an empirical one that must be investigated. This article operationalizes its core hypothesis by examining whether postmaterial issue orientation can help predict the likelihood of receiving foreign funding, conditional on other NGO characteristics. One unavoidable complexity should be made explicit from the outset: the direction of causality between the two key variables in the relationship is not crystal clear. Most NGOs form, establishing themselves and their issue profiles, and then reach out to potential donors. This paper therefore treats a postmaterial issue profile (usually established first in the life of an NGO) as an independent variable and examines its ability to predict the receipt of international funding (usually secured later). But it is certainly possible that some nonpostmaterial NGOs, having received international funding, have shifted their issue priorities toward postmaterial concerns in order to better secure these resources. With only a cross-section of data to analyze, it is impossible to tease out that possibility further. What should be stressed is that such instances are likely to be relatively rare; they would, however, in some sense support the overall hypothesis of this paper as they would represent an alternative pathway by which the postmaterial leanings of international donors might help drive a relative proliferation of postmaterial NGOs in the developing world.

## Data

To test the hypothesis, I draw upon the same dataset used to measure the extent of postmaterial disjuncture in the NGO sector of Argentina, Chile, and Peru.[10] This dataset contains detailed information on over 700 NGOs, including issue orientation, the receipt of foreign funding, and a wide range of other characteristics and activities. The same caveats mentioned above regarding the sample apply to this part of the analysis. The data is not a nationally representative sample of NGOs (which is impossible to gather and not actually desirable for the goals of this research), but a sample that captures a particularly critical and politically salient segment of the NGO sector in the capital cities of three countries.

The dependent variable used in the analysis is a dichotomous variable that captures whether funding was received or not from international donors, which could be transnational advocacy organizations, INGOs, private foundations, foreign governments or governmental agencies, or institutions such as the World Bank.[11] The data for this variable comes from two separate questions in the survey in which NGO leaders were asked separately whether foreign agencies and governments or foreign associations and organizations contributed to their funding[12] – though no information was collected on the amount of funding. NGO leaders who answered positively to either of these questions received a score of 1 on the dependent variable. NGOs reporting international funding make up 15 percent of the sample, a large and substantively meaningful proportion.

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[10] These cases were not selected for the explicit purposes of this article but are simply those for which data were available to test the hypothesis. However, the cases vary in several useful ways: Argentina and Chile are relatively wealthy countries by Latin American standards, while Peru is relatively poor. When the data was gathered in 2003, Argentina and Chile were also relatively consolidated democracies, many years on from their democratic transitions, while Peru had just experienced democratic transition. By examining not just the pooled sample but also individual country samples, we can see whether the relationship between postmaterial issue orientation and international funding remains robust across these different contexts.

[11] The respondents were NGO leaders. They had access to information about the finances of their organizations and could provide reliable answers to this question.

The independent variable of interest is NGO emphasis on postmaterial issues. This variable draws on data from the open-ended question discussed above in this article's section on measuring the postmaterial disjuncture. To reiterate, NGO leaders were asked to list the most important issue for the organization. Responses to this question were then recoded to three categories – "postmaterial," "material," and "other." The "postmaterial" category included environmental issues, the promotion of citizenship and participation, women's rights, support for civil society, and human rights. The "material" category included housing, local infrastructure, educational quality, health and health education, employment-related themes, and the distribution of food and other basic goods. The "other" category included themes that were neither fundamentally material nor appropriately considered postmaterial by common definitions, such as crime and gangs, corruption, recreational activities, and arts and culture.

The dataset also allows for the introduction of numerous control variables that tap organizational attributes that might plausibly be related to the receipt of international funding. Several control variables capture the kinds of political activities – those conducted through institutional and contentious channels – in which NGOs engage. These variables are included in the model because they plausibly might raise the profile of NGOs, allowing them to better connect with international donors. To measure whether NGOs engage in regularized political action through institutionalized channels, I draw upon a question regarding the importance to NGOs of contacting government officials. Based on a binary measure, NGO leaders who consider such strategies "important" or "very important" to the organization score 1. I utilize a similar measure to determine the use of contentious strategies, whereby NGOs score 1 if they report that engaging in protest is an "important" or "very important" activity.

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[12] Unfortunately, the way these questions are phrased – one asking about "foreign governments" and one asking about "foreign organizations" – makes it difficult to evaluate them separately as measures of governmental and nongovernmental donors.

Other control variables capture organizational characteristics. The age of an NGO is included in most models, under the assumption that older organizations might be more likely to have developed relationships with international donors. Because access to funding might also plausibly depend on the connections NGOs have with other organizations, I also control for network ties. This measure utilizes a series of questions in which NGO respondents were asked, “How many (type of civil society organization) do you work with?” These responses were combined and the total logged under the assumption that there would be declining returns to network ties in terms of access to international funding. Another important control variable is NGO institutionalization, as organizations that are more formal, stable, and bureaucratic are probably better positioned to write applications and engage in other activities necessary to secure international funding. To measure this variable, I constructed a scale of institutionalization, utilizing three questions that each dichotomously measured an organizational attribute – whether or not the NGO had a permanent leadership, whether or not the NGO had paid staff, and whether or not the NGO had official recognition from or had registered with the state. With positive answers to each question given a value of 1, the additive scale runs from 0 to 3.

A final control variable is introduced in some of the models in order to capture the socioeconomic level of the urban district in which an NGO is based relative to the rest of that particular city.[13] Unlike others, this control variable is measured at the level of the district rather than the individual NGO. This aggregate-level variable is introduced under the assumption that NGOs operating in very poor communities likely face much greater difficulties in gaining access to international funders. Including this variable is particularly important given that NGO issue orientation is likely to be related to the socioeconomic levels of the communities in which NGOs operate. For example, those geared toward material issues like poverty and food distribution are likely to be located in the poor communities that they serve. We thus need to distinguish between, on the one hand, the effect that an NGO’s postmaterial or material orientation has on receiving international funding and, on the other hand, the effect that the material conditions in which an NGO operates has on receiving international funding.

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[13] The intent of this variable is to capture the socioeconomic profile of NGO neighborhoods not in absolute terms but relative to other districts of that particular city. One complication is that governments report different kinds of data regarding district socioeconomic levels. To account for these differences, I standardize measurements in each city, measuring socioeconomic level as the number of standard deviations above or below the mean district in that particular city.

## Data Analysis

This article tests the hypothesis that postmaterial issue orientation can predict the receipt of international funding through the specification of logistic regression models. I perform these tests both on the pooled sample and on individual country samples (for a total of four different populations) in order to better ascertain whether relationships are consistent across different countries. Within each population, three different models are specified. A reduced-form model only includes variables for issue orientation and strategy choice. A full model adds a series of control variables measuring other characteristics of NGOs. Finally, a third model adds another variable on the socioeconomic level of the district in which NGOs are located. In each of these models, the excluded reference category for issue orientation is material issues.[14]

Table 1 shows the results from the analysis of the full sample. Most notably, the relationship between postmaterial issue orientation and the receipt of international funding is consistently strong across all three specifications. This strong relationship is evident in the reduced form model (which examines issue orientation and strategy choice) and remains essentially unchanged even after several control variables are introduced in the second and third models. Two secondary findings are also worth noting. First, NGO institutionalization is a very strong predictor of international funding and is on a par with postmaterial issue orientation. The strength of this relationship is not particularly surprising, given that acquiring international funding usually involves some organizational effort and capacity – such as finding funding sources and writing convincing applications – on the part of would-be recipients. Second, the socioeconomic level of communities in which NGOs operate also emerges as an important predictor of international funding. This secondary finding has greater substantive implications. Many NGOs with a material focus (for example, soup kitchens) are based in poor communities out of necessity as they must operate among their target populations. If both material orientation and location in poor communities are negatively associated with the receipt of international funding, these kinds of NGOs can be considered doubly disadvantaged.

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[14] I also ran all models with issues coded dichotomously as either "postmaterial" or "nonpostmaterial" (combining the "material" and "other" categories). The results of these models were similar to those obtained when using trichotomous coding.

Table 1: Covariates of International Funding, Pooled Sample

| | **Model I** | **Model II** | **Model III** |
|---|---|---|---|
| Postmaterial Issues | 1.31***<br>(.24) | 1.39***<br>(.26) | 1.38***<br>(.26) |
| Other Issues | .29<br>(.33) | .32<br>(.34) | .29<br>(.34) |
| Contentious Strategies | .32<br>(.23) | .36<br>(.25) | .30<br>(.25) |
| Institutional Strategies | .14<br>(.23) | -.03<br>(.25) | -.04<br>(.25) |
| Network Links | | .09<br>(.07) | .09<br>(.07) |
| Age | | .00<br>(.01) | .00<br>(.01) |
| Institutionalization | | .1.26***<br>(.19) | .1.26***<br>(.19) |
| District SES | | | .22*<br>(.11) |
| Country Dummies | Yes | Yes | Yes |
| N | 694 | 694 | 694 |

Note: * indicates p<.05, ** p<.01, *** p<.001.

Source: Survey of NGOs from Collier and Handlin (2009).

A natural concern with the analysis of this pooled sample is that the observed relationship between postmaterial issue orientation and international funding might be driven by particularly strong dynamics within a single country. Therefore, I also examine each country sample separately in order to see whether the relationships observed in the pooled sample hold. For each country, I run the same three models specified for the pooled sample (the results are reported in Table 2). The positive association between postmaterial issue orientation and the receipt of international funding holds across all models for each country sample. Estimates regarding this relationship are also statistically significant at conventional levels in eight of the nine models. These results suggest that the preference of international donors for NGOs with postmaterial agendas is not a product of any country-specific factor but rather a general tendency across Latin American countries.

Table 2: Covariates of International Funding, Country Samples

| | Argentina | | | Chile | | | Peru | | |
|---|---|---|---|---|---|---|---|---|---|
| | I | II | III | I | II | III | I | II | III |
| Postmaterial Issues | .99*<br>(.41) | 1.07*<br>(.43) | 1.02*<br>(.44) | .92*<br>(.46) | .78<br>(.52) | .84<br>(.53) | 1.94***<br>(.43) | 2.16***<br>(.46) | 1.99***<br>(.48) |
| Other Issues | .19<br>(.60) | .07<br>(.63) | .09<br>(.62) | -.14<br>(.52) | -.25<br>(.57) | -.29<br>(.57) | .82<br>(.60) | 1.26*<br>(.63) | 1.30*<br>(.63) |
| Contentious Strategies | .34<br>(.39) | .49<br>(.42) | .51<br>(.42) | .76<br>(.41) | .38<br>(.48) | .27<br>(.49) | -.05<br>(.41) | .08<br>(.43) | .02<br>(.43) |
| Institutional Strategies | .05<br>(.38) | -.18<br>(.41) | -.23<br>(.42) | .30<br>(.45) | .10<br>(.50) | .06<br>(.51) | .10<br>(.39) | -.06<br>(.42) | -.24<br>(.44) |
| Network Ties | | -.13<br>(.13) | -.14<br>(.13) | | .28*<br>(.13) | .29*<br>(.14) | | .10<br>(.12) | .09<br>(.12) |
| Age | | .00<br>(.01) | .00<br>(.01) | | -.03<br>(.02) | -.03<br>(.02) | | -.02<br>(.02) | .03<br>(.02) |
| Institutionalization | | 1.15***<br>(.30) | 1.16***<br>(.30) | | 1.93***<br>(.44) | 1.93***<br>(.44) | | 1.18***<br>(.32) | 1.26***<br>(.33) |
| District SES | | | -.11<br>(.20) | | | .27<br>(.22) | | | .40*<br>(.21) |
| N | 240 | 240 | 240 | 218 | 218 | 218 | 236 | 236 | 236 |

Note: * indicates p<.05, ** p<.01, *** p<.001.

Source: Survey of NGOs from Collier and Handlin (2009).

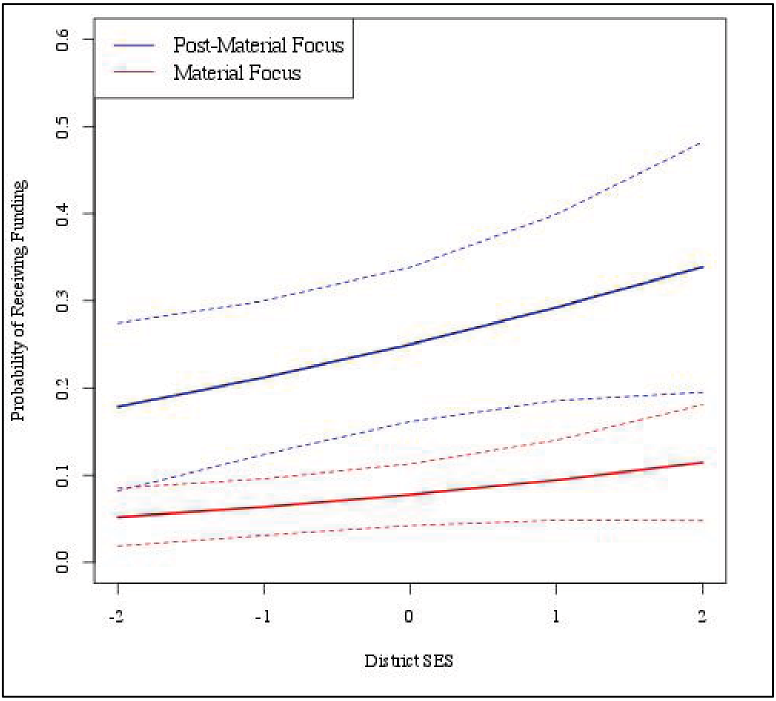
The relative strength of the findings for the country subsamples is worth examining for several reasons. One drawback of the available data is that two of the countries, Argentina and Chile, are among the wealthiest in Latin America. In addition, the welfare states in these two countries are among the oldest and most expansive in the region. These characteristics might seem to make Argentina and Chile cases where identifying foreign funders that favor postmaterial NGOs is particularly likely. International donors might have weaker incentive to provide resources to material NGOs seeking to target the poor and to make up for shortcomings in state-provided services. Peru, on the other hand, is a considerably poorer country with a much less generous and expansive welfare state. In these respects, Peru arguably has greater similarities than Argentina or Chile to the majority of Latin American countries, not to mention those in regions such as Africa, the Middle East, or Southeast Asia. For these reasons, if I had found that international donors favored postmaterial NGOs in Argentina and Chile but not in Peru, I might have questioned the generalizability of the findings to much of the developing world.

The results instead suggest that international funders favor postmaterial NGOs in Peru to a greater degree than in either of the other countries. This pattern could have several explanations. It might be partly a product of sampling variance or slightly different ways in which the chain-referral sample unfolded in each country. A more substantive potential explanation involves the country's regime trajectory. Although Peru, as well as Argentina and Chile, experienced a democratic transition in the 1980s, it underwent an authoritarian reversal in the 1990s under Alberto Fujimori, whereas Argentina and Chile consolidated and maintained their democratic regimes. Indeed, the NGO survey was conducted only two years after Peru had transitioned back to democracy in 2001. This context, in which a competitive authoritarian regime had recently been in power and democracy remained unconsolidated, may have been particularly conducive to involvement by international donors concerned with democracy assistance, citizenship promotion, and support for civil society. We should not conclude, however, that this trajectory makes Peru an outlier. Indeed, these kinds of regime conditions – hybrid regimes or weakly consolidated democracies – are common in the developing world. In this sense, the regime trajectory of Peru actually makes it a good case for building theory about the support of international donors for postmaterial NGOs.

The analysis thus far suggests a powerful association between postmaterial issue orientation and the receipt of funding from abroad, but it tells us little about the substantive impact of these relationships. How much does having a postmaterial issue orientation change the likelihood of receiving financial support from international donors? The most direct way to answer this question is by taking predicted probabilities from the fullest model using the pooled sample while holding other variables at their means. The model predicts that a material NGO has a 7.8 percent chance of receiving international funding, whereas a postmaterial NGO has a 25.3 percent chance of obtaining funds from abroad – a substantial difference of 17.5 percentage points. In other words, postmaterial NGOs are over three times more likely to get international funding than otherwise identical material NGOs. Foreign funds can represent a financial lifeline for NGOs, albeit one proffered very unevenly across the NGO sector in Latin America.

Another perspective on this question can be gained by examining the likelihood of postmaterial and material NGOs receiving international funding at different community socioeconomic levels, as shown in Figure 1.[15] This perspective is useful not only because community socioeconomic level itself emerged as an important predictor of international funding, but because this variable is related in theoretically important ways to issue orientation: NGOs pursuing certain kinds of material issues are much more likely to be located in poor neighborhoods. The solid lines in Figure 2 capture these predicted probabilities, while the dashed lines show 95 percent confidence intervals. One observation is that while both lines rise from left to right, the gap between postmaterial and material NGOs widens slightly in wealthier urban areas.[16]

Figure 2: Probability of Receiving Foreign Funding



Source: Survey of NGOs from Collier and Handlin (2009).

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[15] This figure draws upon the results of the third model presented in Table 1. Predicted probabilities are calculated assuming a Peruvian NGO with all other variables set to their means.

[16] To explore this finding further, I specify the same model with an interaction term and find the interaction statistically insignificant and substantively minor.

More notable is the difference in predicted probabilities between postmaterial NGOs located in wealthier communities and material NGOs located in poorer communities. For example, the fullest model predicts that an environmental NGO based in an upper-middle-class district, a desirable and feasible location for such an organization, would have a 34 percent chance of receiving foreign funding. In contrast, an otherwise identical NGO focused on poverty alleviation and located out of necessity in a poor barrio would have about a 5 percent chance of attaining funding. Naturally, this comparison goes beyond the effect of postmaterial issue orientation on funding, taking into account location as well. In this sense, it is a secondary point for the overall purposes of this article. This point is worth stressing, however, because the contrast between postmaterial NGOs in wealthier neighborhoods and material NGOs in poorer communities is often relevant due to the strong relationship between issue orientation and location.

What is the aggregate impact of foreign donors on issue orientation within the Latin American NGO sector? To better consider this question, we should return to the original discussion of the hypothesis, which held that international donors favor postmaterial NGOs and have thus contributed to the relative proliferation of these organizations for two reasons. First, disproportionate financing to postmaterial NGOs helps those extant organizations endure and prosper. About 15 percent of NGOs in the sample receive funding from abroad, so this financing affects a meaningful portion of the NGO sector. Second, just as international financing has helped incentivize the formation of NGOs in the developing world in general (as most scholars agree), donor favoritism toward NGOs pursuing postmaterial causes is likely to disproportionately incentivize the formation of postmaterial NGOs, as potential organization founders strategically choose issues that will best allow them to tap into international funding streams. In this sense, the aggregate impact of international donors so strongly favoring postmaterial NGOs extends well beyond the subset of NGOs that actually receive funding.

It is important to note, nevertheless, that international funding is only likely to be a partial explanation for the postmaterial disjuncture. Many other factors might also plausibly contribute. Interest organizations other than NGOs, most clearly labor unions, are heavily involved in some material issues, especially those related to employment. The postmaterial disjuncture is thus likely to partly reflect a division of labor between NGOs and unions. Moreover, while postmaterial issues like the environment and human rights may not be of high salience for Latin American populations overall, those attuned to these issues may be particularly mobilized and dedicated. Finally, the postmaterial disjuncture might also be driven in part by the support of domestic sponsors – not just international ones – for postmaterial NGOs. With a phenomenon that reflects aggregate tendencies across the NGO sector, we should expect multiple causes to be at work. The analysis in this paper strongly supports the notion that the activities of foreign donors constitute one important contributing cause.

## Conclusion

The multiplication of NGOs in developing regions, spurred in part by the financial assistance of international donors, represents an important change in the nature of interest organization and representation. The disjuncture between Latin American NGOs and populations with respect to postmaterial issue salience has important implications for the operation of interest politics in the region and other parts of the developing world. Yet despite the massive amount of research on NGOs in general, this issue has largely escaped the attention of scholars, most likely due to data limitations. This article sought to open a research agenda on the topic, making two primary contributions. The first was to chart and demonstrate the postmaterial disjuncture in three Latin American countries. The second was to develop and test a theory regarding one important cause, the proclivity of international donors to support postmaterial NGOs.

These topics merit more attention, especially as scholarship continues to move from documenting the proliferation of NGOs to examining their political functions. This trend has led to more sober appraisals of the efficacy and political activities of NGOs in the developing world. Surely the striking mismatch between NGOs and mass publics in terms of postmaterial issue salience also deserves further analysis. The implications for patterns of political representation appear particularly complex. One perspective might see the rapid increase in postmaterial NGOs as occurring largely independently of the activities and operation of material NGOs. In this view, greater attention to issues like gender equality and the environment might be unalloyed positives, even if such issues are of relatively low salience for mass publics. Another perspective might hold that the explosion and strengthening of postmaterial NGOs has come, to some degree at least, at the expense of NGOs pursuing material issues like poverty, health, and employment. Like all interest organizations, NGOs ultimately compete for influence over politics and to shape the public conversation in different directions. Ceteris paribus, then, a more prominent and connected postmaterial NGO sector will lead to a less influential material NGO sector. The point of this article was not to make a strong positive argument for either of these perspectives, but to suggest that this is a question worth examining.

The role of foreign donors in driving the postmaterial disjuncture also suggests some interesting theoretical extensions worth further examination. A lengthy line of scholarship has examined whether foreign aid promotes democracy and development, generally coming to mixed conclusions. But aid channeled through NGOs tends to be seen more positively. The support of NGOs and civil society – whether via governmental democracy assistance or as the local partners of INGOs or transnational advocacy networks – is often seen as having intrinsic value. One question raised by this paper is whether this aid, weighted heavily toward supporting postmaterial NGOs despite the low salience of postmaterial issues for recipient populations, also has an intrinsic cost. Foreign donors send money to developing countries with good intentions, seeking to address issues close to their own hearts such as the environment, human rights, gender equality, and the deepening of democracy. In so doing, however, they may be contributing to an interest system in which the issue orientations of NGOs often purporting to represent the public interest depart greatly from the actual issue preferences of the respective mass publics.

Further research might move productively in several directions. Most importantly, it would be useful to assess the external validity of the major claims of this paper. Is the postmaterial disjuncture present in other countries in Latin America or other regions of the developing world? Does the overrepresentation of postmaterial NGOs depend on country-level characteristics like level of development or regime trajectories? It would also be worthwhile to test the major causal hypothesis of this article on additional datasets of NGOs, especially ones offering a more detailed battery of information on international funding. How do different categories of international donors differ in their tendency to support material and postmaterial NGOs? Finally, further research might delve much deeper into the nature and implications of the postmaterial disjuncture. As mentioned above, the effects on patterns of political representation and the operation of interest politics in developing countries are not completely clear. Do the voices and preferences of postmaterial NGOs crowd out or otherwise compete with the voices and preferences of organizations seeking material goals? Do postmaterial and material NGOs sometimes work together for common goals, or are their efforts completely independent of each other? These sorts of questions require much deeper investigation and are well worth exploring.

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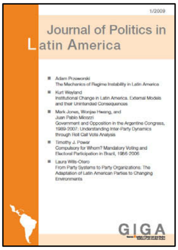
## ONGs, Donantes Internacionales, y la Descoyuntura Postmaterial en América Latina

**Resumen**: Las ONGs han proliferado en los países desarrollados, asumiendo papeles políticos claves como organizaciones intermediarias que representan los intereses públicos. Sin embargo, al menos en los tres países latinoamericanos examinados, la proporción del sector de las ONG se centraron en temas postmateriales supera a masivamente la proporción de la población que considera estas temas muy saliente. Este articulo demuestra la "Descoyuntura Postmaterial" y teoriza que donantes internacionales ayudan a causarla por favoreciendo las ONG que persiguen temas postmateriales. Esta hipótesis se evalúo mediante el análisis de un conjunto de datos que contiene información sobre mas de 700 ONGs. Las ONGs que persiguen temas postmateriales son mas de tres veces mas probabilidades de recibir financiamiento internacional como ONGs que persiguen temas materiales. Mientras que los donantes internacionales pueden ser bien intencionadas, sus agendas postmateriales forma la orientación del sector de las ONG, con consecuencias potencialmente adversas por su capacidad para representar eficazmente los intereses de masas.

**Palabras claves**: América Latina, ONGs, ayuda externa, representación de intereses



# Journal of Politics in Latin America

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Salzman, Ryan (2015),
News Media Consumption and Political Behavior in Latin America, in: *Journal of Politics in Latin America*, 7, 2, 71–98.

URN: http://nbn-resolving.org/urn/resolver.pl?urn:nbn:de:gbv:18-4-8540

ISSN: 1868-4890 (online), ISSN: 1866-802X (print)

The online version of this article can be found at: <www.jpla.org>

Published by
GIGA German Institute of Global and Area Studies, Institute of Latin American Studies
and Hamburg University Press.

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Journal of Politics in Latin America 2/2015: 71–98 GIGA

# News Media Consumption and Political Behavior in Latin America

## Ryan Salzman

**Abstract**: News media are an important factor in any democratic society. Research focused on developed democracies has paved the way for analysis in the context of less well-developed democracies. The project endeavors to continue that investigation into whether and how news media consumption affects democratic behavior among individuals in a region comprised of developing democracies: Latin America. Employing rich survey data available from the 2008 Latin American Public Opinion Project, traditional analyses are used to test one of the most basic questions for political communication researchers: Does news media consumption motivate or depress political participation? The results indicate that, on average, news media mobilize political participation, albeit to different degrees per medium and participation type. This seems to happen because those media socialize Latin Americans to value political participation.

- Manuscript received 24 January 2014; accepted 9 June 2015

**Keywords**: Latin America, news media, political behavior

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# Introduction

Democracy requires an informed electorate to function optimally (Aristotle 1997; Dahl 1998). Today, the majority of information consumed by individuals comes via news media (Bartels 1993; Price and Zaller 1993; Iyengar and McGrady 2007). Over the last 30 years researchers have sought to understand the impact of news media consumption on individual attitudes and behaviors (Iyengar and Kinder 1987; Nelson, Clawson, and Oxley 1997; Norris 2000). The result of that body of research indicates that news media can affect the information people receive (McCombs and Shaw 1972; Corry 1986; Iyengar and McGrady 2007), how they feel about that information (Herman and Chomsky 1988; Krosnick and Kinder 1990; Hetherington 1996), and how they then behave politically (Norris 2000).

As with most investigations of political behavior and political communication, the majority of scholarly efforts have focused on more democratically developed regions, such as the United States and Europe (see, for example, Norris 2000). Over the past 20 years, however, this line of inquiry has expanded to include democratically developing regions like Latin America – the primary focus of this study. The research conducted in less developed contexts has benefitted from those groundbreaking studies carried out in more developed regions and has thus rapidly increased our depth of knowledge and understanding of news media consumption and political behavior. This research project looks to add to that growing body of scholarship by employing robust survey data to identify whether news media consumption in Latin America is related to more or less political participation. Put another way, it seeks to ascertain whether news media consumption mobilizes Latin Americans or instead lulls them into a malaise that dampens participation.

Latin America provides an ideal set of cases to explore how news media consumption affects individuals in developing democracies. The countries included in this cross-national study share many traits, which include colonial history, language, religion, culture, media industry development, and democratic institutions.[1] Although the durations of democracy of the Latin American countries included in this study appear to be highly variable, each nation qualifies as a developing democracy relative to all democratic states in the world (Diamond 2008). Those similarities allow us to focus on individual-level characteristics, like news media consumption and political participation, without too much concern for gross contextual differences. This is not to say that Latin American states are identical, only that they are similar enough to serve as an excellent sample with which to conduct classic comparative research on that which impact individuals in younger democracies.

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[1] An obvious exception is Brazil. For an example of similarities and differences across a selection of Latin American countries, see Booth and Seligson (2009: Chapter 3). Albarran (2009) provides a thorough description of the media industries in Latin America, revealing that their developmental and present characteristics are largely similar.

Political communication research consistently contends that media consumption affects behavior (Comstock et al. 1978; Bartels 1993; Delli-Carpini 2012) and attitudes (Jamieson and Cappella 2008). While it is important to know whether some effect is present, the direction and strength of that effect also deserves attention. Early research supported the notion that media effects on participation were minimal (see Iyengar and McGrady 2007: 197). As research proliferated, the potential impact of media consumption was increasingly emphasized and research seemed to follow suit, as content analysis and experiments consistently revealed stronger-than-minimal effects (see Nelson, Clawson, and Oxley 1997). Today, political communication research is highly nuanced. The effect of the media is often understood through mediated pathways (Norris 2000) that cement the relationship of news media and politics while introducing event- and behavior-specific considerations. These considerations call into question the generalizability of this line of research while simultaneously enhancing the perceived pervasiveness of media effects.

Political communication research in Latin America has expanded greatly in the last 30 years. However, that growth reflects the added nuance revealed by research in other contexts. As such, Latin American political communication scholars tend to address more limited questions – for instance, country-, event-, and behavior-specific questions. Some research has focused on understanding media industries and journalism in various Latin American states and their relationship with political institutions and policy (Fox 1988; Waisbord 2000; Fox and Waisbord 2002). Much of that scholarship made clear that Latin American media industries, while similar to those in more developed countries, have their own regional characteristics, which must be taken into account.[2] Other research has looked at specific elections and the role played by the media therein, finding that media productions affected the elections in clear and purposeful ways (Lawson and McCann 2004; Boas 2008). Some studies have taken a strictly individual-level approach to try to understand how media consumption affects the political behavior of Latin Americans and have revealed a connection between media consumption and attitudes/behaviors (Perez-Linan 2002; Salzman and Aloisi 2009; Salzman and Salzman 2010). Each of these strands of research has added to our overall understanding of political communication as well as establishing a line of scholarship that is distinctly Latin American.[3] This research project hopes to add to that body of knowledge by considering the effects of various news media types on individuals across the entire region. Because this is a potentially monumental task, this study looks to answer one of the fundamental questions of individual-level political communication research: Does media consumption foster political mobilization or malaise?

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[2] An example of a characteristic that is an important driver of journalistic behavior is the penalties associated with slander and libel, which are criminal instead of civil in nature (Salzman and Salzman 2009). Not all characteristics change the effect of these industries, but it is important to keep these differences in mind.

The distinction between mobilization and malaise is a basic but important one to make. Some earlier research in this area found that individuals who consumed media outputs were less trusting of politicians and the political system because of "a combination of bad news, attack journalism and negative politics" (Newton 1999: 578). These conditions resulted in low efficacy and subsequently less political participation (Cappella and Jamieson 1997). Like those who embraced "malaise," advocates of mobilization also identified an important mediating factor between media consumption and political behavior: political interest (Delli Carpini 2004; Stromback and Shehata 2010). Recognizing the importance of political interest, more and more researchers began to focus on the mediating role of political interest and eventually accepted a circular relationship where news media consumption, political interest, and political behavior are all interrelated (Norris 2000). Indeed, political communication research in Latin America has shown a clear relationship between news media consumption and political interest (Salzman 2012). If news media consumption in Latin America is shown to mobilize participation, it is likely that political interest should theoretically be considered a part of that dynamic. That political interest is part of individuals' mental processing is important. But what is it about news media that would affect individuals to begin with?

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[3] For instance, the research done by Boas (2005) on the media and populism is of particular interest to scholars of Latin American politics and political communication.

## The Socializing Power of the Mass Media

According to Thompson (1995: 10), "In all societies human beings engage in the production and exchange of information and symbolic content." This production and exchange is typically done via the media. In order for the reception of media outputs to affect individuals, there must be some power exchange.[4] News media purposely convey information and symbolic content to an extent that exceeds other media types, such as entertainment media.

> Symbolic actions may give rise to reactions, may lead others to act or respond in certain ways to pursue one course of action rather than another, to believe or disbelieve, to affirm their support for a state of affairs or to rise up in collective revolt (Thompson 1995: 17).

This symbolic power is the mechanism that induces certain behaviors by individuals or groups.

Mass media affect individual behavior in part through socialization – that is, by helping to produce or shape attitudes among citizens. Thompson (1995: 26) lays out five characteristics of mass communication that he defines as "the institutionalized production and generalized diffusion of symbolic goods via the fixation and transmission of information or symbolic content." The first characteristic he refers to is the technical and institutional means of production and diffusion, which is the technical, business, and innovation side of the telecommunications industry. The second characteristic is the commodification of symbolic forms, whereby those mass communication media are given symbolic or economic value. In this study, I focus on the symbolic value of democracy via the promotion of events and behaviors associated with democratic institutions. The third characteristic is the recognition of the separation of the processes of production and reception. Although Thompson acknowledges that recipients do not normally exercise much direct influence on media outputs, it would be wrong to consider media consumers simply as passive watchers, listeners, or readers. Rather, they actively engage with what is presented to them and process it in a given context. This is particularly true for Internet use. The fourth characteristic of mass communication is the extension of symbolic forms across time and space. The fifth characteristic is the public spreading of symbolic forms. The essence of mass communication is lodged in the symbolic forms it produces, the values placed on those symbolic forms, and the distribution of those forms across time and space and within the purview of the public.

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[4] According to Michael Mann (1986), there are four classes of power: economic, political, coercive, and symbolic. Each type of power can affect individuals to the point of motivating behavior. To understand how news media consumption might affect individuals, we focus on symbolic power.

Even if those symbolic forms are given value and distributed throughout society, how do we know that they will affect individuals? When provided information, individuals learn (Miller 2005). When provided with valuable symbolic forms, individuals are enabled "to reorder the spatial and temporal features of social organization, and to use these reordered features as a means of pursuing their objectives" (Thompson 1995: 31). Operating in an explicitly political environment, I expect individuals provided with information and valuable symbolic forms to react in accordance with that information and those symbolic forms.

## News Media Consumption and Political Participation in Latin America: Expectations

Democracy requires political participation (Cohen 1971). Individuals require information and motivation to participate politically. In modern societies information is best provided via news media (Downs 1957). Assuming that news media do indeed perform as Thompson argues, individuals not only receive the information discussed by Downs, but they also attach symbolic value to certain prevalent ideas that are consistently conveyed via news media. News media that reference democracy and democratic institutions, such as elections, place a high "value" on those ideas and events while also providing information that is essential for participation. If this is truly the case, then news media consumption should mobilize individuals to participate. Additionally, the amount of news media consumed should influence the potential effect of those media in a positive direction.

In democracies political participation is multidimensional (Booth 1979). Elections are necessary but insufficient for establishing a consolidated democracy. This project thus considers the effect of news media consumption on four types of political participation: discussing politics, voting, attending meetings of local government, and protesting. Discussing politics and voting are forms of participation that are more traditionally associated with democracy writ large. Attending meetings and protesting are not immediately thought of when studying democracy, but certainly capture what it means to live in a participatory political system. The personal investment of each of the four forms of political participation ranges from casual (discussing politics) to formal (voting). There is also variation in the degree to which participation is localized (attending meetings) and/or conflictual (protest). Each of these forms of participation may be affected by democratic news media. But are Latin American news media actually democratic?

In her research on media in new democracies, Katrin Voltmer suggests that the political role of media in developed democracies is evidenced in three ways (Voltmer 2006: 5). First, the media provide a "market place for ideas." Second, they provide information to encourage enlightened citizenship. Third, the media are a "public watchdog." Generally speaking, the democratic performance of news media in Latin America is a mixed bag according to Freedom House's press freedom ratings (Freedom House 2008). Nonetheless, news media cover politics and political events in all Latin American states (Albarran 2009). That coverage heightens the symbolic value of politics and political events.[5] Given the heightened value of politics, Latin Americans that consume more news media should be mobilized to engage in more political behavior than nonconsumers. A positive relationship between news media consumption and political behavior is expected for each type of news media and all forms of political participation analyzed herein.

> *Hypothesis*: Latin Americans who consume more news media will report greater political participation of all kinds than Latin Americans who consume less news media.

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[5] For instance, Salzman and Aloisi (2009: 53) wrote the following: "We find that many newspapers provide information with regard to [political] events. In recent days Colombian newspapers have mounted an intense campaign against President Uribe amid economic difficulties in the country. On more than one occasion, El Espectador and El Centro de Medios Independientes have diffused the location and time of political reunions and citizens' protests. Many other Spanish language news media in Central America regularly provide information about political participation opportunities. These come in the form of general event information. For example, the lead story on April 9, 2008, in a nationally distributed Nicaraguan newspaper, La Prensa, discussed security considerations for a protest march that was to take place that day. Not only did the story discuss the security issues but it also listed the time and location of the march. By providing exact time and location information, these news media stories encourage event participation."

# Research Design

The central question of this research focuses on the relationship between consuming various news media and democratic behaviors in a developing democratic region: Latin America. To uncover the presence or absence of that relationship, I employ the 2008 Latin American Public Opinion Project (LAPOP) survey dataset.[6] The survey responses were gathered cross-nationally in 18 Latin American countries: Mexico, Guatemala, Honduras, El Salvador, Nicaragua, Costa Rica, Panama, Colombia, Peru, Bolivia, Ecuador, Argentina, Chile, Brazil, Venezuela, Uruguay, Paraguay, and the Dominican Republic. Whereas other forms of data (e.g., voter turnout data) rely on population aggregates, which do not allow for inference based on individual characteristics, this study employs survey data with a large sample size, which permits individual-level comparison between "all" individuals.[7] Besides respondents' level of political activity and awareness, I wanted data that also included individuals living in more remote areas. As survey sampling is often subject to cost concerns, excluding rural populations is commonplace because it is much more expensive per interview. The 2008 LAPOP dataset, however, includes all segments of the population (rural, urban, rich, middle class, and poor) so as to approximate a national probability sample. The LAPOP data thus appears to adequately address those sampling concerns.

To increase the precision of the sampling results, I used stratified sampling, which involves dividing the target populations (Latin Americans) into basic units (Latin American countries) and subunits (regions within Latin American countries). These may be further stratified into sampling frames (such as clusters of households or blocks or neighborhoods). The sample of respondents was then selected from within each subunit in proportion to their overall share of the national population. This approach ensured that no individuals from any area were automatically excluded from the study and that the samples taken are generalizable. Stratification encourages respondent selection to be country, region, community, neighborhood, and household specific. Even when the household was selected, random interviewee selection within that household was ensured by the use of the "next birthday" method. Once interviewees were selected, carefully trained interviewers conducted face-to-face interviews with them. Anticipating the refusal of some respondents to cooperate, an estimate of noncoverage was included, and an oversample was drawn to compensate for that.[8]

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[6] I thank the Latin American Public Opinion Project (LAPOP) and its major supporters (the United States Agency for International Development, the United Nations Development Program, the Inter-American Development Bank, and Vanderbilt University) for making the data available online at <www.lapopsurveys.org>.

[7] The term "'all' individuals" refers to respondents that are old enough to vote. Although that age is 18 in most countries, there are exceptions. For instance, Nicaraguans can vote at 16. Therefore, Nicaraguans are sampled at the ages of 16 and 17 whereas Mexican sampling begins at 18.

To test the relationship between news media consumption and political behavior, I conduct a number of statistical tests that all aim at identifying correlations between survey responses. Due to the dichotomous and ordered nature of the dependent variables, the statistical tests employed herein are standard logistic and ordered logistic regression models (Long and Freese 2003). Predicted probabilities are calculated for each of the primary variables of interest that are statistically significant.

The dependent variable *discussing politics* is a single survey item that measures how respondents rate their frequency of political discussion with others. The variable is scaled from 1 to 5, with 1 meaning "never" and 5 representing "daily." *Voting* is a dichotomous variable that indicates whether respondents voted in the last presidential election. A "yes" is scored 1 and a "no" is scored 0. *Attending meeting* is a single item response that inquires about the respondent's participation in a town hall meeting in the past year. A "yes" is scored 1 and a "no" is scored 0. *Protesting* is a single item response that determines the extent to which respondents participated in protests in the last year. A "sometimes" is scored 3; an "almost never," 2; and a "never," 1.

The primary individual-level independent variables of interest in this research project identify the regularity of news media consumption per individual per medium. Four different news media are included in this study: television, radio, newspaper, and the Internet.[9] *Television news consumption* reveals the regularity of television news media consumption. *Newspaper consumption* identifies how often the respondent reads the newspaper. *Radio news consumption* measures the amount of news consumed via the radio. *Internet news* captures the regularity of Internet use for the purpose of gathering news. Each of these is scored 0 to 3 ("never" to "daily") according to the degree of regularity with which the respondent consumes that specific news medium. I expect each news media consumption variable to be positively related to each democratic behavior dependent variable.

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[8] Despite the quality of the survey data used in this research project, criticisms regarding the use of survey data in political communication research abound. One such criticism hinges on the supposition that individuals tend to overreport the amount of news that they consume (Price and Zaller 1993; Prior 2009). However, it is worth noting that frequency estimation is potentially problematic for all survey responses that require individuals to recount the number of times that they have done something (Tourangeau, Rips, and Rasinski 2000). While that may in fact be true in the context of developed democracies, recent studies have shown self-reported media measures in Latin America to be highly varied and lacking obvious systematic bias (Salzman 2011; Salzman and Albarran 2011). However, if most respondents overreported news media consumption, "never use media" responses should be disproportionately small. In Latin America, Salzman (2011) finds that self-reported rates of never using newspapers is about 30 percent; never consuming radio news, approximately 17 percent; and never consuming television news, around 5 percent.

## Control Variables

It is axiomatic in social scientific research that individuals' basic attributes can affect their preferences and behavior (see Almond and Verba 1963). For that reason, I include variables that measure an individual's age, gender, and level of education. *Age* is a count variable ranging from 16 to 101 years. *Female* denotes an individual's gender, with the value 1 assigned to women and 0 to men. *Education* identifies the amount of education in years completed by the respondent and is scaled from 0 to 18.

For reasons similar to those related to other demographic conditions, the amount of wealth that respondents have may also influence their attitudes. Therefore, I include a *wealth* variable that is an additive measure of various items that respondents may or may not own. These items include a television, a refrigerator, a landline phone, a cellular phone, a vehicle (up to three), a washing machine, a microwave, a motorcycle, potable water in the house, a bathroom in the house, and a computer.[10] The variable scores respondents on a scale of 0 to 13 depending on the number of possessions they claim to possess.

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[9] Prior research has clearly shown that the consumption of news media is systematically related to qualities of individuals, such as ability, interest, and expectations (Salzman 2011; Salzman and Albarran 2011). Because of these consumer-specific differences, each medium should be included separately of one another. It should be noted that 2008 is the last year that LAPOP included each media type separately. As of 2010, news media has been combined into a single variable.

[10] This measure is intended to replace the typical income question. This meliorates concerns of misreporting or refusal to report often associated with income questions. The use of household wealth also circumvents issues related to individuals such as family members who have no income of their own yet live a

Community size variables are included to test the effect of the size of the community in which an individual lives on that individual's news media consumption. It is important to include these variables because access to news media varies across community sizes (Rockwell and Janus 2003).[11] The measures for community size are coded into five dichotomous variables: *rural*, *small city*, *medium city*, *big city*, and *capital*. These variables are derived from the values recorded by the survey administrator.[12] For each country, the exact parameters of the community size variable were calculated according to relative population size and geographical distribution.[13] For the purposes of the statistical tests, I use the *rural* variable as my baseline case to which the other community variables are compared.

With the basic demographic and location control variables included herein, I also include other measures that may explain variation in the dependent variable and potentially supplant the effect of our primary variables of interest – namely, the news media consumption variables. The first variable that I include to ensure proper specification of the model is *trust in media*. It is intuitively plausible that the degree to which an individual trusts the domestic news media industry may variably shape the impact that news media consumption has on that individual's attitudes and behavior.[14] For instance, an individual who has low levels of trust in the media may remain skeptical of the functioning of democratic institutions regardless of reports stating that they are operating well. Or they may doubt that elections were free and fair even if news media

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lifestyle reflective of the income of their family. For an example of a study that uses a similar measure, see *The Legitimacy Puzzle in Latin America* (Booth and Seligson 2009).

[11] As Rockwell and Janus (2003) make clear, variation in location can affect the ability to receive certain media. Areas that are more remote or that are generally difficult to get to may have problems receiving newspapers. It is that location, then, that affects newspaper readership.

[12] Because the survey administrator recorded the community size response, this ensures that individual perception of community size is not being measured. Instead the environmental reality of the size in which an individual lives is what the score represents.

The use of dummy variables, instead of a single ordered variable, is important to account for the potential of a nonlinear relationship that would otherwise be assumed by using an ordered variable.

[13] One example, reported by a LAPOP representative as being a typical criterion, denoted a big city as having a population in excess of 50,000, a medium city ranged from 25,000 to 50,000, and a small city was less than 25,000 (but not rural).

[14] For an in depth look at this measure see Layton (2012).

report them as being free and fair. That lack of trust undermines the ability of news media to impact an individual's support for democracy. *Trust in media* is a single-item response that measures the degree to which individuals trust media on a scale of 1 to 7, with 7 indicating "a lot" of trust.

The second of the additional control variables is *political knowledge*. Like education, political knowledge can shape individuals political attitudes and behaviors. Also, knowledge may undermine the significance of news media consumption as those with more knowledge tend to seek more news (Norris 2000). *Political knowledge* is an additive index of dichotomous responses to five general questions about politics and institutions in the respondent's country as well as politics in other countries. The respondent receives a score of 1 for each correct response and 0 for each incorrect response. The respondent's scores are then added together to create the index *political knowledge*, which ranges from 0 to 5.[15]

Accounting for the contextual realities that could affect survey respondents is important for clearly understanding individuals' political behaviors. These contextual conditions are captured in a series of measures employed in the analyses. A primary variable of interest is the degree of press freedom present in a country. When testing the effect of news media consumption on individuals' behaviors, it is important to account for constraints on that industry. I employ a measure of media freedom that is assigned equally to each respondent living in a specific context (country). The *media freedom* variable is taken from Freedom House's 2008 *Press Freedom Index*. It is an additive index that individually rates the legal, political, and economic environments of the media industries in each country. The index is scaled from 0 to 100 per country but has been inverted, with higher scores now indicating greater media freedom. Other contextual measures that may shape individuals' political attitudes and behaviors include democratic duration, development, and communication development. Support for democracy may very well be contingent upon how long that country has experienced democracy.[16] Therefore, I employ the variable *democratic duration* (a count measure of the number of years of democracy per country) to capture that experience. This measure is taken from Smith (2005) and adapted to include the years up to and including 2008 and has a range of 10 to 57 years.

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[15] The five knowledge questions form an index with a scale reliability coefficient of 0.72, indicating that the questions form a coherent index.

[16] Mishler and Rose (2001) discuss the varying influence of democratic development on support for the regime. Similarly, I expect democratic duration to affect support for democracy more broadly.

The relative level of development per context may variably affect the way that individuals perceive their governing structure. I thus include the variable *development*, which goes beyond aggregate economic measures and captures multiple areas of human development. The *development* variable is taken from the United Nations Human Development Index, which has been described as follows:

> The HDI […] is a summary composite index that measures a country's average achievements in three basic aspects of human development: health, knowledge, and a decent standard of living. Health is measured by life expectancy at birth; knowledge is measured by a combination of the adult literacy rate and the combined primary, secondary, and tertiary gross enrolment ratio; and standard of living by GDP per capita (PPP US$) (United Nations 2008).

Scores range from 0 to 1, with higher scores indicating greater levels of development. I employ a single measure of development as aggregate development measures can be strongly correlated, often to the point of being collinear. Because using multiple highly correlated development measures would cause problems for my statistical models, I draw on the Human Development Index for its ability to capture multiple aspects of country-level development.

The development of the communications system is expected to influence the ability of individuals to consume news media. The *communication development* variable is an index that measures the availability and accessibility of information and communication technology (ICT) in a country. The ICT development index (IDI) is a composite of three subindexes and identifies access, use, and skills. The *communication development* variable employs the *access subindex*, which is a composite measure of fixed telephone lines, mobile telephone subscriptions, international Internet bandwidth per Internet user, the proportion of households with a computer, and the proportion of households with Internet access. The measure was normalized, rescaled, and weighted.[17] Higher access subindex scores denote greater ICT development, as it relates to the ability of individuals to access information.

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[17] The IDI was compiled and produced by the International Telecommunication Union (2009). For more information, visit <https://www.itu.int/ITU-D/ict/publications/idi/material/2009/MIS2009_w5.pdf> (30 July 2015).

## Results and Analysis

The results of the statistical tests are revealing with regard to determining whether news media consumption mobilizes or demobilizes political participation in Latin America. Before going into detail about each statistical result, I will offer a brief summary. Consuming news media of various types mobilizes Latin Americans to participate politically. The notable exception to these positive statistical correlates is that Latin Americans who use the Internet to gather information are less likely to vote. However, it should be noted that Internet news consumption increases the likelihood of engaging in the three other forms of political participation. In addition to being statistically significant, many of these findings are also substantively significant. The predicted probability results illuminate major differences in the likelihood of participating politically (or not) when the consumption of a news media type is varied from its minimum value to its maximum value. That result further illuminates the effect of media consumption, with all but one of those effects being to mobilize Latin Americans to participate. Now I will present the findings in greater detail.

The statistical analyses here seek to identify the effect of news media consumption on Latin Americans' political participation. The results are displayed in Table 1. In general, the models performed well. The R-squared values are 0.060 for *discussing politics* (n = 27,749), 0.105 for *voting* (n = 28,039), 0.033 for *attending meeting* (n = 27,978), and 0.035 for *protesting* (n = 19,860).[18] I feel that the results carry enough weight to allow for confident analysis.

News media consumption is hypothesized to positively affect Latin Americans' political participation, including their discussing of politics. As expected, the results of the ordered logistic regression reveal positive and significant coefficients for each of the news media consumption independent variables. Consuming each type of news media increases the possibility of discussing politics with others. For this most basic form of political engagement, news media are mobilizers. The predicted probability calculations reveal that when each news media consumption measure is varied from its minimum value ("never") to its maximum value ("daily"), the probability of individuals reporting "never" discussing politics drops from the baseline of 31.4 percent to 27.9 percent for newspaper readers, 23.8 percent for television news watchers, 21.7 percent for radio listeners, and 19.7 percent for Internet news consumers. In each case the decrease in “never” discussing politics is redistributed between the “monthly,” “weekly,” and “daily” responses.

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[18] Note that no respondents from Chile are included in the *Protesting* model, as that question was not asked in the Chile iteration of the LAPOP survey.

Table 1: News Media Consumption and Political Behavior Regression Models

| | Discussing Politics[n] | Voting[a] | Attending Meeting[a] | Protesting[n] |
|---|---|---|---|---|
| Newspaper | 0.073*<br>(0.035) | 0.096**<br>(0.032) | 0.144**<br>(0.027) | 0.086<br>(0.060) |
| TV News | 0.127**<br>(0.032) | 0.067**<br>(0.025) | -0.029<br>(0.035) | -0.008<br>(0.038) |
| Radio News | 0.168**<br>(0.014) | 0.109**<br>(0.022) | 0.152**<br>(0.028) | 0.154**<br>(0.031) |
| Internet News | 0.209**<br>(0.025) | -0.094*<br>(0.038) | 0.176**<br>(0.027) | 0.232**<br>(0.040) |
| | | | | |
| Trust in Media | 0.021<br>(0.020) | -0.015<br>(0.015) | 0.040<br>(0.027) | -0.021<br>(0.034) |
| Political Knowledge | 0.255**<br>(0.030) | 0.116**<br>(0.031) | 0.002<br>(0.027) | 0.010<br>(0.049) |
| Education | 0.060**<br>(0.009) | 0.062**<br>(0.013) | 0.025*<br>(0.013) | 0.064**<br>(0.016) |
| Wealth | 0.012<br>(0.010) | 0.004<br>(0.019) | -0.041*<br>(0.018) | -0.042<br>(0.027) |
| Female | -0.429**<br>(0.039) | 0.099<br>(0.053) | -0.183*<br>(0.074) | -0.178**<br>(0.044) |
| Age | 0.007**<br>(0.002) | 0.054**<br>(0.007) | 0.012**<br>(0.003) | -0.001<br>(0.003) |
| Capital City | -0.028<br>(0.074) | -0.279**<br>(0.088) | -0.658**<br>(0.172) | 0.072<br>(0.098) |
| Big City | -0.044<br>(0.075) | -0.109<br>(0.088) | -0.636**<br>(0.139) | -0.034<br>(0.162) |
| Medium City | -0.092<br>(0.069) | -0.023<br>(0.090) | -0.339<br>(0.192) | 0.025<br>(0.151) |
| Small City | -0.067<br>(0.076) | -0.005<br>(0.108) | -0.205<br>(0.134) | 0.128<br>(0.161) |
| | | | | |
| Press Freedom | 0.012<br>(0.009) | -0.002<br>(0.007) | 0.004<br>(0.006) | 0.008<br>(0.011) |
| Democratic Duration | 0.007<br>(0.006) | 0.000<br>(0.006) | 0.008<br>(0.004) | 0.004<br>(0.015) |
| Development | 3.270<br>(2.383) | 3.742*<br>(1.505) | 1.448<br>(1.593) | -5.223<br>(4.077) |
| Communication Dev. | -0.257<br>(0.222) | -0.230<br>(0.125) | -0.347**<br>(0.123) | 0.229<br>(0.229) |
| | | | | |

| | Discussing Politics[n] | Voting[a] | Attending Meeting[a] | Protesting[n] |
|---|---|---|---|---|
| Constant | — | -4.124**<br>(1.084) | -3.288**<br>(1.082) | — |
| N | 28,039 | 27,749 | 27,978 | 19,621 |
| R-squared | 0.060 | 0.105 | 0.033 | 0.035 |
| Countries | 18 | 18 | 18 | 17 |

Note: [a] Standard logit model; [n] Standard ordered logit model; *p≤.05; **p≤.01 (two tailed). Numbers in parenthesis indicate standard errors. *Press Freedom*, *Development*, *Democratic Duration* and *Communication Development* identified per country.

Source: LAPOP, IDI, Smith (plus author's extension), United Nations HDI, Freedom House.

Looked at another way, varying each type of news media consumption from its minimum to its maximum value sees the proportion of respondents who claim to "never" discuss politics decrease by 14.3 percent (newspaper), 24.2 percent (television), 30.9 percent (radio), and 37.3 percent (Internet). Therefore, it is clear that the results of the survey data analysis are statistically *and* substantively significant. If we consider the substantive effects for each response option, the impact can range from quite small (see the "rarely" column in Table 2) to quite large (see the "daily" column in Table 2). So when it comes to Latin Americans discussing politics, there is strong evidence that news media mobilize that behavior by increasing among individuals the symbolic value of the topics they cover.

Table 2: Predicted Probabilities for the Direct Model of Discussing Politics (in Percent)

| Primary Independent Variables | Daily | Weekly | Monthly | Rarely | Never |
|---|---|---|---|---|---|
| Base Probabilities[n] | 3.3 | 8.3 | 13.1 | 43.8 | 31.4 |
| Newspaper° | +0.8 | +1.7 | +1.9 | +0.3 | -4.5 |
| TV News° | +1.5 | +3.1 | +3.2 | -0.1 | -7.6 |
| Radio News° | +2.1 | +4.2 | +4.3 | -0.7 | -9.7 |
| Internet News° | +2.7 | +5.5 | +5.2 | -1.6 | -11.7 |
| Press Freedom[a] | n.s. | n.s. | n.s. | n.s. | n.s. |

Note: Survey Question: How often do you discuss politics with other people? [n] Base predicted probabilities are computed by holding every variable at its minimum or mean; [a] predicted probability computed by increasing from the mean to one standard deviation above the mean; ° predicted probability computed by varying from the minimum value to the maximum value; n.s. denotes "not significant."

Source: LAPOP, IDI, Smith (plus author's extension), United Nations HDI, Freedom House.

The statistical findings regarding news media consumption and voting[19] are also in line with the expectations articulated in the hypothesis, albeit with one notable exception (see Table 1). While traditional news media (television, radio, newspapers) appear to mobilize individuals to vote, *Internet news* is negatively correlated with voting. That is, Latin Americans who gather information via the Internet report voting less than those who do not use the Internet for such purposes. This finding, which reveals an apparent malaise effect, is notable but not surprising.

According to prior research, Internet news consumers are separable from traditional news media users (Salzman and Albarran 2011). The results of the regression model in Table 1 appear to reiterate that Internet use is distinct from other forms of news media consumption. What could explain this phenomenon? First, it could stem from the fact that the Latin American Internet news consumer demographic may be disproportionately young, which is significant given that younger individuals vote less than older individuals. Second, research on news media consumption correlates have revealed that Latin Americans who have less trust in the media consume more Internet news (Salzman and Albarran 2011). If these individuals' skepticism extends to the political and social systems, it would be reasonable to expect a large proportion of Internet news consumers to not participate in an institutionalized form of political behavior like voting but instead engage in less institutionalized political behaviors. Their lack of trust in the system is heightened via Internet use, which demobilizes voting participation in a manner similar to that illuminated by Cappella and Jamieson (1997).

The magnitude of the effects of news media consumption on voting behavior reveals strong substantive effects. Varying the measure for Internet news consumption from "never" to "daily" increases the probability of not voting from the baseline of 28.2 percent to 34.4 percent, which represents an increase of over 20 percent. Listening to radio news diminishes nonvoting behavior by almost 25 percent (probability of not voting drops from 28.2 percent to 21.4 percent). Watching television news had the weakest substantive impact but still saw the probability of not voting decrease by 13.5 percent. Reading newspapers daily as opposed to never saw the probability of not voting decrease by 19.1 percent.[20]

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[19] Most countries in Latin America have compulsory voting laws on the books. However, voter turnout is still highly variable as there are issues with enforcement of these laws.

Table 3: Predicted Probabilities for the Direct Model of Voting (in Percent)

| Primary Independent Variables | Yes | No |
|---|---|---|
| Base Probabilities[n] | 71.8 | 28.2 |
| Newspaper° | +5.4 | -5.4 |
| TV News° | +3.8 | -3.8 |
| Radio News° | +6.8 | -6.8 |
| Internet News° | -6.2 | +6.2 |
| Press Freedom[a] | n.s. | n.s. |

Note: Survey Question: Did you vote in the last presidential election? [n] Base predicted probabilities are computed by holding every variable at its minimum or mean; [a] predicted probability computed by increasing from the mean to one standard deviation above the mean; ° predicted probability computed by varying from the minimum value to the maximum value; n.s. denotes "not significant"

Source: LAPOP, IDI, Smith (plus author's extension), United Nations HDI, Freedom House.

Looking at whether news media consumption affects whether citizens attend local government meetings, we find evidence of mobilization for each media type except television – for which there were no statistically significant results. So why does consuming various amounts of television news exhibit no statistical effect?

It is well established that news media vary in their production quality and content (Iyengar and McGrady 2007). Of the four news media types considered here, television news provides the least amount of information (Stromback and Shehata 2010). Television news is also national in scope, which could lead it to overlook more localized political events such as local government meetings (which are the focus of the survey question). Newspapers and the Internet potentially provide consumers with more information and reporting that covers various levels, such as the national, regional, and local levels. Radio news is more locally oriented and is thus more likely to provide information on local political events and meetings (Agosta 2007). Therefore, it should come as no great surprise that television news consumers do not report attending meetings of local government more often than nonconsumers.

The predicted probabilities in Table 4 reveal remarkably similar effect magnitudes when varying news media consumption from minimum to maximum levels – and these effects are substantial. With each news media consumption variable set at its minimum, the base probability that a survey respondent would report having attended a meeting of local government during the previous year is 9.7 percent. Varying news media consumption to the maximum level increases the probability of a "yes" response by about 50 percent. Changes in the "no" response were less substantive, but hardly negligible.

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[20] Of course, the magnitude is diminished if we consider the effect on "yes" responses to the "Did you vote?" question. But the impact still ranges from 5 to 10 percent.

Table 4: Predicted Probabilities for the Direct Model of Attending Meetings (in Percent)

| **Primary Independent Variables** | **Yes** | **No** |
|---|---|---|
| Base Probabilities[n] | 9.7 | 90.3 |
| Newspaper° | +4.5 | -4.5 |
| TV News° | n.s. | n.s. |
| Radio News° | +4.8 | -4.8 |
| Internet News° | +5.7 | -5.7 |
| Press Freedom[a] | n.s. | n.s. |

Note: Survey Question: Have you attended a town meeting, city council meeting or other meeting in the past year? [n] Base predicted probabilities are computed by holding every variable at its minimum or mean; [a] predicted probability computed by increasing from the mean to one standard deviation above the mean; ° predicted probability computed by varying from the minimum value to the maximum value; n.s. denotes "not significant"

Source: LAPOP, IDI, Smith (plus author's extension), United Nations HDI, Freedom House.

The results of the protesting model (see Table 5) were more mixed than any of the other three participation models. Only radio or Internet consumption has a statistically significant effect on protest participation in Latin America, whereas watching television news and reading newspapers have no statistically significant bearing. Again, it is useful to look at the nature of the news media type when trying to understand these findings.

The nature of television news is unlikely to inspire any behavior that requires as much initiative and investment as protesting. Television news reports on demonstrations tend to air after they have occurred. Furthermore, in the event that they air before the event, such reports may only offer inadequate discussions of the motivations behind protests, thus being insufficient to inspire participation. The lack of statistical significance in the newspaper–protest relationship is somewhat surprising and lacks a clear explanation.

Internet news consumption and listening to radio news are statistically significant and positively related to protest participation. Prior research offers at least two explanations for this: First, radio news consumers are poorer and live in more rural areas (Salzman 2011). Second, Internet news consumers are younger and more skeptical of domestic media (Salzman and Albarran 2011). Both these sets of attributes are common among protesters. Newspaper consumers are less likely to engage in protest behavior and typically do not come share the marginalized status associated with other news media consumers. Thus understanding the role played by news media consumption in inspiring protest (unlike other forms of political participation) may require focusing on the media user rather than the media itself.

The predicted probabilities in Table 5 again reveal an effect magnitude that is substantively significant. Varying Internet news consumption from "never" to "daily" sees the probability of respondents sometimes engaging in protests increase from 7.6 percent (base probability) to 14.1 percent – an increase of over 80 percent. Varying radio news consumption in the same manner has a smaller effect, but still results in an increase exceeding 50 percent (from 7.6 percent to 11.5 percent).

Table 5: Predicted Probabilities for the Direct Model of Protesting (in Percent)

| **Primary Independent Variables** | **Sometimes** | **Almost Never** | **Never** |
|---|---|---|---|
| Base Probabilities[n] | 7.6 | 5.2 | 87.2 |
| Newspaper° | n.s. | n.s. | n.s. |
| TV News° | n.s. | n.s. | n.s. |
| Radio News° | +3.9 | +2.2 | -6.1 |
| Internet News° | +6.5 | +3.5 | -9.9 |
| Press Freedom[a] | n.s. | n.s. | n.s. |

Note: Survey Question: In the past year, did you participation in a public demonstration or protest? [n] Base predicted probabilities are computed by holding every variable at its minimum or mean; [a] predicted probability computed by increasing from the mean to one standard deviation above the mean; ° predicted probability computed by varying from the minimum value to the maximum value; n.s. denotes "not significant"

Source: LAPOP, IDI, Smith (plus author's extension), United Nations HDI, Freedom House.

The control variables perform as expected. Trust in the domestic news media has no effect on any of the participation variables. Political knowledge is positively related to discussing politics and voting but has no statistical correlation with attending meetings of local government or protesting. Latin Americans with more formal education report engaging in each form of participation more than individuals with less formal education. Wealth positively impacts discussing politics but fails to influence voting or protesting. Greater wealth is negatively related to attending meetings of local government. Women vote more than men but less often discuss politics, attend meetings, and protest than their male counterparts. Age is positively related to voting, discussing politics, and attending meetings but is not statistically related to protest participation. Finally, Latin Americans living in larger communities vote, discuss politics, and attend meetings less than individuals living in rural areas. This is perhaps because of the greater intimacy of personal or political networks in rural environments compared to those in large urban ones. Community size does not affect protest participation. These findings support the discussion of the model above, where the qualities of consumers were emphasized as being potentially more important than the media content itself.

Attention to cross-country differences is important. Until recently, cross-national studies similar to this one employed country dummy variables to illuminate those differences. Although they revealed that differences were present, they offered little explanation about what kind of differences were present across countries and how they variably affected the dependent variable of interest. Advances in statistical modeling allow this study to identify the country-specific characteristics (via hierarchical linear modeling) that may actually affect the relationship between news media consumption and political participation, thus potentially offering explanation along with the typical identification methods. In this study those country-level measures do not explain any cross-country differences. The contextual variable *press freedom* has no impact on any of the dependent variables. None of the other country-level control variables achieve a notable level of statistical significance with the exception of *communication development*, which is negatively related to attending meetings.

## Discussion

This project considers all Latin Americans in a single group. Instead of separating them by country, they are identified by their individual-level attributes and the country-level characteristics believed to potentially affect their decisions to participate politically given varying levels of differing news media. Using a framework focused on the classic question of news media's mobilizing or demobilizing effect, this large group reveals much about media types and developing democracies (a distinction shared to some degree by all states in Latin America). So what can be learned?

First and foremost, the results regarding the relationship between four different types of news media consumption and four different kinds of political participation illuminate correlations that are statistically significant and consistently positive. In short, this indicates that media consumption in Latin America has a mobilizing effect on political participation. The lone piece of evidence of a demobilization effect is found in the relationship between Internet news consumption and voting. With regard to this finding, I suggest that the nature of the Internet news consumer is important for understanding that apparent malaise. But there are certainly other plausible explanations for the results of that test – some of which have to do with the nature of the measure employed.

The Latin American Public Opinion Project (LAPOP) asks respondents how often they use the Internet for the purpose of gathering news. Unlike for the other measures, the outlets producing and providing that information is unclear. Internet news sources could include e-mail, social media, websites, or blogs, among other forms. Just as the Internet media are varied in their quality, the individual or organization producing that media can also greatly vary in terms of reliability. All it takes is a computer and Internet access to post "news" to the World Wide Web. Those who report using the Internet to gather news may be using the websites of renowned newspapers or an individual's blog. Yet both could provide the same response to the survey question. Despite this concern, the fact that Internet news consumption has statistically significant results indicates something systematic in the pattern of who uses the Internet to gather news and how that delivery method ultimately affects those consumers. It is also worth noting that the results are in line with expectations for the three forms of political participation other than voting. Taking everything into account, it would be erroneous to discount the impact of Internet news consumption on political participation.

A second important conclusion that comes from this research project pertains to the magnitude of the effects. As can be seen in the predicted probabilities tables, the statistically significant results are generally also substantively significant. This indicates that there is something about Latin America that heightens the mobilization potential of news media consumption relative to more developed democracies. But why?

In established democracies there is probably less potential for news media to socialize individuals to be more democratic than there is in newer democracies because democratic attitudes and political participation habits have become entrenched over time. In such democracies formal democratic political institutions such as elections are likely complemented by varying degrees of democratic structures and norms in work, church, and school environments (see Pateman 1970). In societies with deep-rooted democracy, there are many socialization sources that encourage democratic attitudes and behaviors, thus marginalizing the socialization effect of news media consumption. In regions where democratic regimes are still relatively young, like Latin America, democratic deepening remains secondary to promoting basic democratic norms and behaviors across the whole of society. In this context communications media may still serve an asymmetrical role in shaping the democratic attitudes and behaviors of individuals. As a result, the strong substantive effects of news media consumption in a region where democracy is yet to be entrenched should come as no surprise.

A third important finding is that news media should be examined independently of each other, as too should the various forms of political participation. Not only do the effect magnitudes greatly vary in each test, but the presence of statistical significance and even the direction of relationships change throughout this project. This is encouraging as it suggests there is good reason to expect similar results, but little reason to expect identical results. The increasing use of the Internet and the fact that Internet news consumption has the most inconsistent effects on the various modes of political participation should further caution researchers against combining news media into a single measure. In fact, the decision to use 2008 LAPOP data was based on this factor, as the 2010 and 2012 iterations combine traditional news media into a single measure – presumably to the detriment of these variable effects.

This project endeavors to assess the effect of news media consumption on individuals' democratic behavior in a developing region. Latin America was selected as the focus of this research because its characteristics make it ideal for a comparative politics study. The 2008 LAPOP survey data meets the highest standards of quality. Taken in concert with a basic question (Mobilize or demobilize?) and a hypothesis about the socializing power of the mass media, this project provides a high-quality assessment of how various forms of news media consumption affect political behavior in a region comprised of developing democracies. Efforts to additionally identify the substantive effects of the relationships between news media consumption and political behavior uncover impact magnitudes that should raise eyebrows and heighten interest in similar research in developing contexts. This project employs traditional data in traditional analyses to set a baseline for understanding how news media consumption affects individuals in Latin America.

There are many key points to take away from this project, but there are still issues that need to be addressed in future research. The first important step is to establish a statistically verifiable causal relationship between news media consumption and political behavior in Latin America. The results of this project taken in concert with findings related to political interest in Latin America (see Salzman 2012) and tests that are causally reliable in other contexts (see Norris 2000) should enable future research to test that potentially mediated relationship with confidence. However, researchers seeking to prove this mediated relationship should avoid the temptation to make assumptions based on studies carried out in different locations over a decade ago. As this project establishes correlation, researchers would do well to test multiple potentially mediating factors. In Latin America (and likely elsewhere), civil society participation and social capital accumulation may be a worthy competitor to political interest. As such, researchers looking for broad findings related to political communication should do everything possible to begin with a blank slate.

The second important step involves the continued identification of contextual variables that may explain cross-country differences. The day of the country dummy variable has passed, whereas proper identification, sound measurement, and thorough analysis using contextual variables are in their infancy. Researchers should take care to move beyond country controls in order to try to really understand what it is about those countries that affects cross-national differences. Only when that happens will comparative political studies fully realize their potential.

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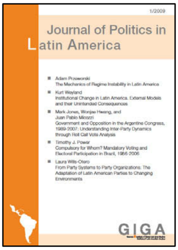
## Consumo de Medios de Comunicación y Comportamiento Político en América Latina

**Resumen**: Noticias medios de comunicación son un factor importante en cualquier sociedad democrática. La investigación se centró en las democracias desarrolladas ha allanado el camino para el análisis en el contexto de las democracias menos desarrolladas. Este proyecto se esfuerza por continuar esa investigación sobre si y cómo el consumo de medios de comunicación afecta el comportamiento democrático entre los individuos de una región formada por las democracias en desarrollo: América Latina. Empleando datos de la encuesta ricos disponibles en la América Latina Proyecto de Opinión Pública de 2008, se emplean los análisis tradicionales de probar una de las preguntas más básicas para investigadores de la comunicación política: ¿Tiene motivar el consumo de medios de noticias o deprimir la participación política? Los resultados indican que, en promedio, los medios de comunicación movilizan la participación política, aunque en diferentes grados por medio y el tipo de participación. Esto parece suceder porque esos medios socializan los latinoamericanos a valorar la participación política.

**Palabras clave**: América Latina, los medios de comunicación, el comportamiento político



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Pozsgai Alvarez, Joseph (2015),
Low-Level Corruption Tolerance: An “Action-Based” Approach for Peru and Latin America, in: *Journal of Politics in Latin America*, 7, 2, 99–129.

URN: http://nbn-resolving.org/urn/resolver.pl?urn:nbn:de:gbv:18-4-8557

ISSN: 1868-4890 (online), ISSN: 1866-802X (print)

The online version of this article can be found at: <www.jpla.org>

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Published by
GIGA German Institute of Global and Area Studies, Institute of Latin American Studies and Hamburg University Press.

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# Low-Level Corruption Tolerance: An “Action-Based” Approach for Peru and Latin America

Joseph Pozsgai Alvarez

**Abstract**: Since the beginning of the past decade, the tolerance of corruption by citizens of most Latin American countries has become a concept in its own right within the broader study of corruption. This construct, however, lacks a systematic approach and is yet to account for specific types of corruption tolerance or identify appropriate indicators to measure them. The present study addresses these voids by analyzing data provided by LAPOP’s AmericasBarometer 2006 for Peru (a typical case for the incidence of bribery in Latin America) and the Global Corruption Barometer against a carefully constructed framework for the understanding of the phenomenon of corruption tolerance. The results indicate that attitudes toward specific types of low-level corruption should not be equated to citizens’ decisions to engage in such behavior. They further suggest that the study of corruption tolerance has the potential to greatly improve our understanding of the determinants of corruption in developing countries.

■ Manuscript received 12 August 2014; accepted 14 April 2015

**Keywords**: Peru, attitudes, behavior, corruption

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# 1 Introduction

The study of corruption can be regarded as consisting of two periods. The first is characterized by theoretical debates between positive (or functional) (Huntington 1968) and negative (Klitgaard 1988) views of the corruption phenomenon and roughly spans from the 1960s until the early 1990s. The second stems from the change in position of the industrialized countries (led by the United States) and the subsequent emphasis placed on this topic by international organizations and think tanks around the mid-1990s, which has provided scholars with the opportunity to empirically test any number of relations and hypotheses directly or indirectly related to corruption (for a quick review of the new literature, see Morris and Blake 2009). The latter period saw a sudden availability of data, spearheaded by Transparency International and its Corruption Perception Index (CPI), which drastically changed the way corruption was scientifically approached.

Nevertheless, the scientific gains from this surge in survey data have been far from equally distributed across the field. While specific areas such as organizational (Pinto, Leana, and Pil 2008), bureaucratic, and political corruption have benefited from the new impetus and continued to progress from the pre-1990s era, the citizen – a key actor in any corruption scheme – has remained in the scholarly "back alley." Although some research has examined the connection between citizens' perceptions of corruption and their attitudes toward constructs such as democracy (Seligson 2002), government (Anderson and Tverdova 2003), and society in general (Uslaner 2008), there is a dearth of research on the role citizens play in the reproduction of corruption, the characteristics of citizens' involvement in corruption, and the determinants of citizens' reactions toward corruption. AsCharles H. Blake eloquently points out,

> Despite interest in public attitudes toward corruption, to date there has been almost no systematic, cross-national research into the determinants of citizens' tolerance of corruption (Blake 2009: 96).

This paper aims to systematically examine the role of the citizen in low-level corruption by employing the concept of 'corruption tolerance' – a term that has been repeatedly mentioned in the literature over the last 10 years, albeit without a clear definition. Furthermore, it presents a theoretical and empirical basis for the operationalization of the concept, which relies on the measurement of specific actions rather than purely of attitudes. Finally, it will show that a clear and significant operationalization of low-level corruption tolerance (LCT) can improve our understanding of the role that citizens have in the overall level of corruption.

The present paper is structured as follows: Section 2 reviews the literature on corruption tolerance, focusing on the case of LCT. Section 3 discusses the proposed impact of corruption tolerance on the overall level of corruption in society. Section 4 makes a case for the adoption of action-based indicators of LCT instead of relying on the usual attitudinal measures. Section 5 differentiates between need and greed cases of LCT. Sections 6, 7, 8, and 9 address the selection of a case study, the methodology to be used, the empirical analysis of our hypotheses, and the results, respectively, using data (on the country case of Peru) from the Latin American Public Opinion Project's (LAPOP) 2006 AmericasBarometer and Transparency International's Global Corruption Barometer (GCB). Section 10 presents the conclusions.

## 2 Literature Review

Before considering the phenomenon of citizens' tolerance toward corruption, it is necessary to consider what exactly is meant by the term "corruption." The most widely accepted definition describes it as the misuse of public office for private gains (among many others, Balán 2011: 4; McCann and Redlawsk 2006: 798; UNODC 2004: 11), while the basic typifications differentiate between "grand" and "petty" corruption (highlighting its monetary dimensions) (UNDP 2008: 8; Uslaner 2008: 10–11), or "political" and "bureaucratic" (highlighting the nature of the actors involved) (Amundsen 1999: 3; Khan 2003: 4; Andvig et al. 2000: 13). Uslaner (2008: 132) distinguishes between two main types of corruption – namely, high-level and low-level corruption – by highlighting not the profit size or the public office involved but rather the two possible scenarios that confront citizens as average members of unorganized society. In other words, the concept of high-level and low-level corruption brings to the discussion the accessibility of corrupt dealings to regular citizens. High-level corruption is understood as any corrupt activity involving senior administrative or political officials, on the one hand, and economic agents engaged in a sizable activity outside of the scope of single interactions, on the other. In this scenario, as explained by Morris (2008: 392; see also Németh, Körmendi, and Kiss 2011: 61; Uslaner 2008: 14; Tverdova 2007: 3), it would be futile to look for corrupt interactions involving the citizen as a direct actor – for example, in cases involving procurement or state capture. Conversely, low-level corruption involves the interaction between low-rank government officials and regular citizens driven (for the most part) by economic incentives – for instance, the paying of bribes to expedite a birth certificate at the municipal office, to avoid getting fined by the traffic police, to pass a driver's test, or to secure a doctor's appointment at a public hospital.

Following these two types of corruption, the literature on corruption tolerance can also be divided in two main groups: (a) tolerance as citizens' support for corrupt politicians and (b) tolerance as citizens' willingness to engage in corruption. An example of the first group is provided by Chang and Kerr's (2009: 4) definition[1] of corruption tolerance, which highlights "citizens' proclivity to condone a political actor's engagement in corrupt transactions." The second group, to which the present paper will try to theoretically and empirically contribute, focuses entirely on LCT, which it generally understands to signify citizens' willingness to offer and/or justify bribes while being able to recognize such behavior as corrupt. Although not all authors subscribe to this description of citizens' LCT, it does represent a general element that is either explicitly or implicitly present throughout the literature. A quick overview of some of the most obvious cases should provide a better grasp of the literary situation of LCT.

As part of an effort to analyze the potential of both qualitative and quantitative methodologies to study corruption, Sautu (2002) developed a scale to classify middle-class citizens of Buenos Aires, Argentina, according to their level of "tolerance-resignation." The scale was constructed from individual answers to a series of situational tests in which people were asked to express their level of willingness to take part in corrupt practices such as bribing a policeman or using a middleman to obtain a license. This same description of LCT as a "willingness to engage in bribery" can be detected in the analysis presented by Del Castillo and Guerrero (2003), although in a more subtle and implicit way.

The literature also reflects an understanding of LCT as the level of "justifiability of the corrupt act" expressed by citizens. To gauge attitudes toward receiving bribes, Moreno (2002: 4), Gatti, Paternostro, and Rigolini (2003: 7), and Blake (2009: 102) all ask whether people are justified in "accepting a bribe in the course of their duties." The intention here, as Moreno's (2002: 6) "index of corruption permissiveness" clearly shows, is to assess the perceived legitimacy of bribery as a socio-political instrument; this is akin to the routinization of corruption theory that Salzman (2009) postulates to explain petty corruption in Latin America.

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[1] These two authors developed the first known conceptual definition of corruption tolerance.

This view is reinforced by Blake's explicit analysis of the determinants of LCT from an attitudinal perspective and Gatti, Paternostro, and Rigolini's (2003: 6) mentioning of "tolerant attitudes towards corruption," which depict a conceptualization of corruption tolerance that is intimately related to the position of the citizen described in Spengler's "disadvantaged party" (2010: 8) – the societal third actor in a corrupt exchange who bears its external costs.

A final addition to our understanding of corruption tolerance for cases of petty (or low-level) corruption is provided by a study on corruption and good government conducted by the Mexican chapter of Transparency International (as cited in Del Castillo and Guerrero 2003), which found that as much as 18 percent of heads of household did not relate bribery to corruption. As the authors so correctly express, this is an important piece of information with which "to understand the tolerance that exists in Mexico towards so-called 'petty' corruption."

## 3 The Impact of Corruption Tolerance

The level of corruption in any particular society is said to depend to a big extent on the decisions that citizens take when confronted with corruption scenarios (or corruption opportunities). This seems to be a rather obvious statement for the case of low-level corruption, where a citizen's decision to refuse to pay a bribe effectively brings that specific instance of corruption to an end. The role of the citizen in fighting or embracing corruption, what I have identified as corruption tolerance, is also well emphasized by Manzetti (2000: 139), who explains that high levels of corruption take place when it "is so widespread at any social level as to be accepted and tolerated."[2] This perspective draws on ideas found in the literature on tax evasion. In an enlightening analysis of the causes of the different levels of tax evasion in Chile and Argentina, Marcelo Bergman (2009) revisits the concept of equilibrium to explain why the same basic system of tax collection proves to be effective in Chile but fails in Argentina. He argues that the interaction between voluntary compliance, on the one hand, and the role of enforcement, on the other, can lead to a stable environment of compliance or noncompliance equilibrium, upon which citizens can make rational decisions based on the expected choices of others. In basic terms, Bergman presents a model where individual compliance is based on and reproduced by society itself; the final result depends as much on these society-based considerations as on the level and strength of governmental enforcement. This argument is similar to that raised by Manzetti (2000), who identifies three factors that create an environment of high corruption. The first two, checks and balances and the level of self-restraint, are none other than the set of formal and informal constraints that shape human interactions (North 1990) on the governmental side of the political system. The third factor, which is the focal point of my research, is citizens' compliance with the corrupt set of formal and informal rules and their acceptance of and coexistence with low-level corruption. As advanced by the theory of tax compliance, it is possible to address the level of corruption in any country by referring to the characteristics of the formal institutions (understood only as the legal governmental structures and the bureaucratic and political culture of those who fill such structures) and the level of corruption tolerance among citizens.

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[2] Other factors are (a) a lack of checks and balances in government and (b) a lack of self-restraint in profiting from corruption.

## 4 Actions versus Attitudes

An important point that can be derived from the previous discussion is that using LCT to account for corruption requires the researcher to translate LCT into actual behavior. To be clear, I am not saying that LCT as a measure of attitudes is only important when related to actual corrupt activities, but rather that a behavioral interpretation is a more suitable approach for understanding the significance that LCT has in the general level of corruption. The existing literature shows that most authors have understood LCT as a set of attitudes toward corruption and have subsequently tried to measure it through surveys. Evidently, they have sought to explain the tendencies for the occurrence of actual corruption based on attitudinal LCT. However, as social psychologist Icek Ajzen (2005) explains, we have to discard the belief that verbal responses (like those assessed in a standard questionnaire) reflect a person's attitude, whereas nonverbal actions measure behavior. In reality, both kinds of responses are equally valid indicators of a latent disposition (corruption tolerance). Based on this account, we could say that verbal expressions of corruption tolerance are in and of themselves specific actions that are of importance in the study of corruption; focusing on those actions, however, would clearly be different than addressing an actor's actual corrupt behavior, such as bribery.

At the same time, measuring attitudes is usually expected to help with predicting and understanding specific behaviors (Ajzen 1991). Therefore, attitudes have been "the focus of attention in explanations of human behavior offered by social psychologists" (Ajzen 2005: 1). Hence, the assessment of attitudes toward corruption can also be regarded as a valid indicator or predictor of a person's engagement in bribery – something authors seem to have implicitly accepted regarding their operationalization of LCT until now.

However, until Ajzen and Fishbein (1977) introduced the principle of compatibility,[3] the problem of attitude–behavior congruency (specifically its consistent lack of significant statistical validation) had long been regarded as the biggest impediment to accepting any theory based on attitudes and personal traits as determinants of human behavior (Schuman and Johnson 1976; Ajzen and Fishbein 1977). According to Ajzen (2005), the most important problem in the attitude–behavior literature is that measurements of general attitudes toward the object, institution, or person of interest were used to predict specific behaviors – a practice that was ultimately proven theoretically and empirically flawed by the above-mentioned principle of compatibility. The most fruitful way of understanding the relationship between attitudes and behavior came from Ajzen's theory of planned behavior (TPB).[4] It postulates that the intention to perform (or not to perform) a behavior is the most important immediate determinant of that action (alongside the actual control over performing it) and that this intention is a function of three main determinants: the attitudes toward the behavior, the subjective norm surrounding that behavior, and the perceived behavioral control behind it.[5] Ajzen (1985, 2005) also suspects that the process from dispositions (intentions) to actions may be hindered by the effects of time – specifically, due to possible changes in attitudes or other determinants or to the tendency to fall back into routinized responses. Applying the TPB to the discussion on LCT[6] will provide a more comprehensive basis from which to develop an operationalization of LCT that does not entail the inconsistencies and heterogeneity of the perspectives reviewed earlier. Figure 1 presents the case of low-level corruption in the TPB framework.

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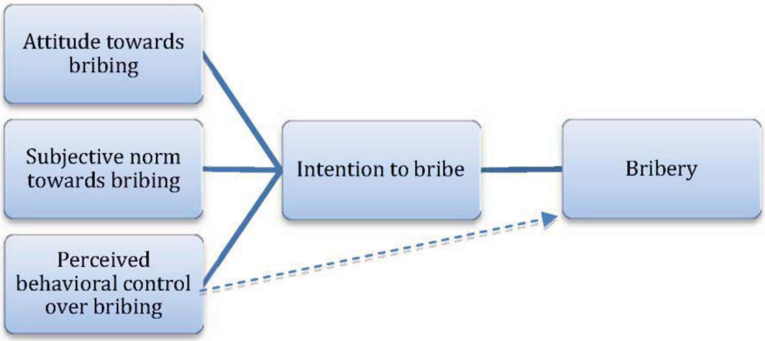
[3] Essentially, the principle of compatibility postulates that at least the target and action elements of both attitudinal and behavioral measures must be the same. This idea allowed for the development of the theory of reasoned action and its successor, the theory of planned behavior (Ajzen 1985, 1991).

[4] Since its introduction, the TPB has been applied to more than 600 studies across a variety of research fields, such as health behavior and environmental actions.

[5] Intentions have been found to predict behavior with considerable accuracy, with meta-analyses reporting an overall correlation of 0.53. On the other hand, for a wide range of behaviors, attitudes, subjective norm and perceived behavioral control have been found to correlate with intentions in average up to 0.60, 0.42, and 0.46, respectively (Ajzen 2005).

[6] For other instances where the TPB has been effectively used to study corruption, see Powpaka (2002) and Rabl and Kühlmann (2008).

Figure 1: Low-level Corruption in the TPB


Attitude towards bribing
Subjective norm towards bribing
Perceived behavioral control over bribing
Intention to bribe
Bribery

Source: Author's own depiction of the TPB for cases of bribery; however, a similar figure can be found in Rabl (2008).

Figure 1 tells a clear story about the expected relationship between attitudes and behavior. Whereas bribery is the behavior of interest in most research regarding low-level corruption, the attitude towards bribery is clearly depicted here as one of three potentially important elements that ultimately determine behavior; therefore, it can only be regarded as a proxy for the actual behavior when considered in addition to the subjective norm, perceived behavioral control, and actual control over bribery. Without all other elements proposed by the TPB, the study of attitudes toward bribery (or toward corruption in general) may be of interest only for researchers examining citizens' permissiveness of corruption in relation to other areas of interest (McCann and Redlawsk 2006). Nevertheless, if this study's interest is to assess the citizen's role on sustaining corruption (that which has been regarded as corruption tolerance) it will be necessary to focus on the behavioral side of LCT.

# 5 Differentiated Low-Level Corruption Tolerance

So far, the discussion here has centered on the usage and implications of LCT. However, defining and operationalizing LCT – a concept that comes under the disputed concept of corruption – requires taking a closer look at the different forms that it could adopt depending on the circumstances. This implies that in our account of LCT it is necessary to consider the different corruption scenarios that could evoke categorically different reactions from the citizen. As social psychologist Icek Ajzen (2005) explains, both attitudes and behaviors are evaluative responses to specific events. If this is indeed the case, then different categories of low-level corruption should produce different categories of LCT.

The most important distinction in the realm of low-level corruption is that between extortive and collusive corruption (Brunetti and Weder 2003), which describe the nature of the two possible relations between corruptor and corruptee. Extortive corruption, as Brunetti and Weder (2003: 1804) explain, "means that the government official has the discretionary power to refuse or delay a service […] in order to extract a rent from the private agent in the form of a bribe." Collusive corruption is a situation where both directly implicated actors engage in a corrupt transaction in order to obtain a benefit to which neither is entitled. It is therefore entirely feasible that the incentives to engage in one form of low-level corruption or another differ. Probably the most transparent and citizen-driven conceptualization and description of collusive and extortive scenarios are offered by Bauhr and Nasiritousi (2011). They refer to collusion as a situation in which public actors or citizens pay a bribe in order to gain advantages they are not entitled to, whereas extortion is a situation in which citizens have to pay bribes to receive services that they are legally entitled to.

To turn the argument in the direction of the citizen, Bauhr and Nasiritousi decided to create the categories of "greed corruption" and "need corruption" – a distinction that tries to emphasize the two different sets of basic motivations behind the payment of a bribe and to call attention to their implications. Their approach is based on the idea that the difference between collusion and extortion can help to identify the corrupt interaction without giving particular importance to either one of the actors involved. Greed and need corruption, on the other hand, describe and emphasize the citizen's motivation to bribe either to obtain benefits by circumventing the law (greed) or to regain access to a service that is being unlawfully withheld by a public official (need); it reveals the role of the citizen in sustaining corruption.

In the proposed approach to LCT from a behavioral perspective, the differentiation between greed and need corruption can be found to exert an additional influence over the interpretation of tolerance under a TPB framework. In an extortion scenario the tolerant behavioral response from the citizen is the action of bribing – as has been suggested above. In a collusion scenario, however, the exchange is proposed by either a public actor or a citizen. In this respect, the citizen's tolerance of corruption is seen not only in the act of bribing but also in the citizen's behavioral attempt to bribe. The attempt to bribe, which can be seen as trying to perform a behavioral goal, was originally part of Ajzen's (1985) TPB, but it was later dropped when empirical testing revealed high correlations between both behavioral dimensions (Ajzen 1991). Hence, while it is theoretically appropriate to include the behavioral attempt to bribe in the analysis of greed LCT, it is essential to carefully weigh up the feasibility of obtaining such detailed data, on the one hand, and the actual empirical benefits such data would bring, on the other.

In the context of our discussion on LCT, greed and need can be defined as follows:

- Greed LCT: Citizens behave deviantly by bribing (or attempting to bribe) a public official in order to gain a not legally entitled benefit.
- Need LCT: Citizens behave compliantly by bribing a public official in order to gain access to a legally entitled service.

With these conceptual tools at hand, the next step is to test some of the statements I presented earlier regarding the nature and implications of LCT.

## 6 Case Study

To test the implications of our previous discussion, this study focuses on Peru, which has a social and political environment generally characterized as being highly tolerant of corruption. Peru thus represents a particularly interesting case for testing the extent to which the attitudes supported by citizens translate into actions. Peru, however, is not a deviant case in the Latin American context, but rather a typical one.

To grasp the nature of the Peruvian context, we need to go back to the beginning of the century, when the Alberto Fujimori government (1990–2000) suffered a highly publicized collapse due to allegations of electoral fraud and, more importantly, the corruption scandal involving his main advisor, Vladimiro Montesinos. Following Fujimori's resignation, a comprehensive criminal investigation carried out during Valentín Paniagua's transitional government (2000–2001) uncovered a vast network of bribery, embezzlement, extortion, and fraud that involved Fujimori himself as well as senior members of his government.

In an interview published on April 2001, Diego García-Sayan, the transitional government's minister of justice, referred to the state of corruption in the country in the following terms:

> How did this huge corruption machine appear in Peru? Without a doubt, the mafia took over Peruvian institutions with the tolerance and interference of a big part of Peruvian society. […] What to do so it doesn't happen again? It's about, then, identifying the objective conditions that existed in our institutionalization and the citizens' behavior that tolerated this situation to get produced and progress. There are ethical and institutional matters that need to be identified to be able to face them and successfully fight the corruption phenomenon.[7]

The corruption tolerance of Peruvian citizens referred to by García-Sayan does not only extend to their relationship with elected political figures, but is even more evident in their everyday experiences and perceptions. Peruvian citizens' participation in low-level corruption such as bureaucratic bribery has scored consistently high in Transparency International's Global Corruption Barometer (GCB): for the period 2005–2010, an average of 17.8 percent of those surveyed claimed to have paid a bribe in the previous 12 months.[8] The result for Peru is only slightly higher than the Latin American average. When including Argentina, Bolivia, Chile, Colombia, Mexico, and Venezuela for the same period of time, the percentage of people reporting to have engaged in bribery is 16.3 percent. Moreover, according to the Fourth National Anticorruption Survey carried out by *Proética* (2007: 20), 57 percent of Peruvian citizens consider Peruvians to be either "corrupt" or "very corrupt." Interestingly, although only 4 percent considered themselves as individuals to be corrupt (with 56 percent claiming to be "not corrupt at all"), up to 27.4 percent of interviewees admitted to having bribed a traffic officer in order to circumvent the law. Furthermore, only 6 percent said they had reported corrupt officials in relation to instances of bribery in which they were involved. It is thus no wonder that over 90 percent of surveyed Peruvians consider the problem of corruption to be either "serious" or "very serious," and that half of the population consider it to be the single most important challenge facing the country on the road to development. This, however, does not sit well with the fact that 66.6

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[7] Translated from Spanish by the author. CARETAS, No. 1666, "Anticorrupción, Operación Tenaza," 19 April 2001.

[8] Statistical analysis performed by the author, based on raw data provided by Transparency International.

percent of the same population expresses “medium tolerance” to everyday acts that in one way or another break the law, such as paying a bribe to avoid a fine, public officials giving friends and relatives preferential treatment, and offering money or gifts to expedite municipal paperwork.

This state of affairs depicts a clash between reality, perception, and attitudes, where one could easily describe Peruvians as seeing corruption and understanding its evil but still engaging in it. Of course, what usually catches the attention of media and publications in such countries are the gaudy corruption scandals involving senior political figures. Nevertheless, one need not look too far to see that corruption is also engrained at the citizen level in the form of everyday bribery and favoritism.

If we use Transparency International’s Corruption Perception Index (CPI) to compare Peru with the rest of Latin America, especially South America, we can logically infer that Peru is hardly an outlier, but rather a typical example of the state of corruption in the region. In 2006[9] the average score for the whole Latin American region, excluding the Caribbean, was 3.3 – exactly the same score received by Peru. This makes Peru a middle-ranked country in the region. By 2013[10] the regional average had slightly improved to a score of 3.6, while Peru remained a middle-ranked country in Latin America – though this time it fared a bit better with a score of 3.8. On this basis, the present study focuses purely on data for Peru, which is considered to be a typical case of how corruption is tolerated (or not) in the whole Latin American region.

## 7 Hypotheses and Methodology

In the previous sections, the construction of the LCT concept resulted in two assumptions or hypotheses. First, there is no reason to equalize attitudes toward corruption to the actual engagement in corruption. In other words, an attitude-based indicator of LCT does not need to show a strong relationship to a purely action-based indicator of the same concept. Second, LCT should be related to the overall level of corruption in society. This means that a proper measurement of LCT should show a strong relationship to the general measurement of corruption in a country.

To test the first assumption, I use survey data on Peru from the 2006 AmericasBarometer provided by Vanderbilt University’s Latin American Public Opinion Project (LAPOP). As LAPOP’s questionnaire does not include any item that would allow for the measurement of specific behavior that would constitute a case of greed LCT, I rely entirely on the actual occurrence of bribery, treating this measure (for the case of greed LCT) as the minimum level of corruption tolerance in the given population. This strategy seems to provide fairly strong grounds for any further interpretation of the results, since it is possible to hypothesize that the high correlations between attempt and behavior – posited by Ajzen (1991) as reason to exclude the former – would also be found in the case of Peru's greed LCT. Supporting this idea is a 2007 report by the NGO Global Integrity, which regarded Peruvian law enforcement (48/100) and whistle-blowing measures (21/100) as very weak.[11] This suggests, in line with many accounts of low-level corruption in Latin America in general, that citizens who attempt to bribe will most likely succeed. LAPOP's data allows for the comparison between attitude-based and action-based measurements of citizens' contact with low-level corruption. The following questions are available:

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[9] See <www.transparency.org/research/cpi/cpi_2006#results> (28 July 2015).
[10] See <www.transparency.org/cpi2013/results> (28 July 2015).

Action-based questions:

- EXC11: During the last year, to process any kind of document (like a license, for example), have you had to pay any money above that required by law?
- EXC14: Have you had to give a bribe to the courts during the last year?
- EXC15: In order to be attended to in a hospital or a clinic during the last year, have you had to give a bribe?

Attitude-based questions:

- EXC18: Do you think that the way things are, sometimes giving a bribe is justified?
- EXC19: Do you think that in our society giving bribes is justified because of the poor public services, or do you think it is not justified?

Additionally, the following questions measuring attitudes toward specific public services and corruption victimization (Orces 2009) are also used: (SGL2) "How have they treated you or your neighbors when you have had dealings with the municipality?"; (ST2) "Regarding the official dealings you or someone from your family has had with the courts or justice tribunals at some time, do you feel ...?"; and (EXC6) "During the last year has any public official asked you for a bribe?" These variables are employed to test the relations of interest under specific conditions allowed by the use of subgroups. I also include commonly used control variables for the occurrence of bribery. First, income level (Q10) and economic satisfaction (Q10D), for instance, can have an impact – though of uncertain direction – on both the possibility and the necessity of paying bribes. For instance, more well-off citizens can afford to pay bribes to expedite a service, while poorer individuals tend to rely on bribery to gain access to otherwise unattainable benefits (Karklins 2005). Second, dissatisfaction with political objects (municipality [SGL1], government [M1], and democracy [PN4]) could explain the disregard for legal procedures and a preference for surreptitious solutions, notwithstanding the corrosive effect on the system (Della Porta 2000). Third, the perceived spread of corruption (EXC7) is usually suggested to produce self-justification that enables the engagement in corruption, as citizens tend to blame the system's current level of corruption for their own behavior (Del Castillo and Guerrero 2003; Karklins 2005). Fourth, interpersonal trust (IT1) instills a sense of social responsibility and common enterprise and has been argued to negatively impact on citizens' propensity to engage in corruption (Uslaner 2008). Fifth, personal attributes such as educational attainment (ED), age (Q2), and gender (Q1) are commonly deemed to affect corruption tolerance, with those who have lower education levels, are young, and are male being considered to have a higher propensity to bribe (Ali and Isse 2003; Power and Clark 2001; Swamy and Knack 2001).

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[11] See <http://report.globalintegrity.org/Peru/2007/scorecard> (28 July 2015).

For the second assumption regarding the impact of LCT on the overall level of corruption, I expand the analysis beyond Peru and cover multiple Latin American countries, using data from Transparency International's GCB[12] and CPI. The analysis uses GCB data from the years 2005, 2007, 2009, and 2010 for Argentina, Bolivia, Chile (2007 not available), Colombia (2007 not considered[13]), Mexico (2007 and 2009 not available), Peru, and Venezuela[14]; only the 2010 CPI is considered for comparison as other authors have noted a high correlation between the results of the CPI of different years (Uslaner 2008; Canache and Allison 2003). The comparison between the GCB survey data and the CPI data provides a better understanding of the role that citizens have in sustaining the general levels of corruption. Although the CPI has been heavily criticized for its limitations regarding its reliance on elite perceptions (Seligson 2006), which is clearly not the same as the *actual* measurement of corruption (Olken 2006), it still offers by far the best international assessment of the corruption phenomenon and should be able to provide an adequate outline of *average* country-level corruption.

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[12] "The Global Corruption Barometer is a survey that assesses general public attitudes toward, and experience of, corruption in dozens of countries around the world.", online: <www.transparency.org/policy_research/surveys_indices/gcb> (10 March 2012).

[13] For unknown reasons, the tabulation only gives 66 observations for Colombia – a very small amount when compared to any other country in the sample.

[14] Countries in Latin America were selected based on the availability of data from one more year other than 2010.

# 8 Analysis

## 8.1 Actions versus Attitudes

To test the relationship between attitude-based and action-based indicators of LCT, I first create a composite ordinal variable from EXC11, EXC14, and EXC15 (all the questions regarding actual bribery and based only on data for those subjects that have indeed had interactions with public institutions in all three cases) and use ordered logistic regression analysis to regress it on the broadest attitudinal question (EXC18) and the relevant control variables. This analysis indicates whether the attitudes toward bribery are a good predictor of the actual engagement in bribery. It should be noted, however, that the composite variable does not differentiate between need and greed corruption. The results are shown in Table 1.

Table 1: Impact of Attitudes over Behavior (Three Cases)

| **Bribe** | **Coefficient** | **Std. Error** | **Z** |
|---|---|---|---|
| **Attitude** | **0.976*** | **0.498** | **1.96** |
| Income | 0.219 | 0.149 | 1.47 |
| Econ. Sat. | 0.181 | 0.331 | 0.55 |
| Sat. Muni. | -0.574 | 0.309 | -1.86 |
| Sat. Gov. | -0.163 | 0.35 | -0.47 |
| Sat. Dem. | -1.006** | 0.384 | -2.62 |
| Spread | 0.669 | 0.347 | 1.93 |
| Trust | -0.13 | 0.275 | -0.48 |
| Education | -0.017 | 0.082 | -0.21 |
| Age | -0.038* | 0.018 | -2.06 |
| Gender(M) | -0.592 | 0.484 | -1.22 |

Note: N = 134; * p≤0.05; ** p≤0.01; *** p≤0.001.

Source: Author's own calculation and compilation.

As can be seen, the impact of attitudes over behavior results in a high coefficient of 0.97 and statistical significance at $p \leq 0.05$. In terms of predictive probabilities, this means that a change of attitudes from "non-justifiable" to "justifiable" leads to an increased probability in engaging in corrupt behavior once (from 9 percent to 19 percent), twice (from 2 percent to 5 percent), and three times[15] (from 0.5 percent to 1.3 percent). Similarly, a more "tolerant" attitude toward corruption reduces the probability of not engaging in corrupt behavior from 88 percent to 74 percent. Finally, only two control variables were statistically significant: age and satisfaction with democracy. Citizens that are more satisfied with how democracy works in Peru engage significantly less in bribery; older people also participate less in such activities.

To further test the relationship between the two variables of interest, actions and attitudes toward low-level corruption, I dichotomize the values of the composite to represent "no incident" (zero times) and "incident" (one or more times) of bribery over the same period of time. I also include all the subjects that have had interactions with a public institution in at least one of the three cases. For this analysis, factorial logistic regression is employed. The results are presented in Table 2.

Table 2: Impact of Attitudes over Behavior – Dichotomous (All Cases)

| Bribe | Coefficient | Std. Error | Z |
|---|---|---|---|
| **Attitude** | **0.171** | **0.243** | **0.70** |
| Income | 0.020 | 0.067 | 0.30 |
| Econ. Sat. | -0.202 | 0.155 | -1.31 |
| Sat. Muni. | -0.453** | 0.143 | -3.17 |
| Sat. Gov. | 0.032 | 0.148 | 0.22 |
| Sat. Dem. | -0.241 | 0.174 | -1.39 |
| Spread | 0.197 | 0.146 | 1.35 |
| Trust | -0.127 | 0.127 | -1.00 |
| Education | 0.004 | 0.033 | 0.13 |
| Age | -0.013 | 0.008 | -1.58 |
| Gender(M) | 0.116 | 0.213 | 0.55 |

Note: N = 882; * $p \leq 0.05$; ** $p \leq 0.01$; *** $p \leq 0.001$.

Source: Author's own calculation and compilation.

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[15] Although the results describe the engagement in at least one corrupt transaction in one, two, or three different contexts or scenarios (processing documents, dealing with courts of justice, and seeking medical attention), for ease of reading the simple counter of "times" is employed here to indicate the number of contexts where the citizen reports having paid a bribe.

Table 2 provides no statistically significant findings ($p > 0.05$) regarding the relationship between attitudes and behavior, which suggests that the importance of attitudes in shaping actual behavior depends on the frequency of interactions between the individual and the public sphere. The only statistically significant control variable is "satisfaction with municipal services." To lend support to (or withdraw support from) the assumption that attitudes only affect behavior when considering multiple interactions, I repeat the analysis for individuals that show the minimum frequency of interactions (the opposite population from the one used in Table 1); this means using the data for subjects that had interactions with a public institution in only one of the three action-based scenarios (EXC11, EXC14, and EXC15). The results are presented in Table 3.

Table 3: Impact of Attitudes over Behavior (One Case)

| Bribe | Coefficient | Std. Error | Z |
|---|---|---|---|
| **Attitude** | **-0.214** | **0.449** | **-0.48** |
| Income | -0.114 | 0.113 | -1.01 |
| Econ. Sat. | -0.417 | 0.256 | -1.62 |
| Sat. Muni. | -0.283 | 0.236 | -1.20 |
| Sat. Gov. | 0.224 | 0.247 | 0.91 |
| Sat. Dem. | -0.259 | 0.294 | -0.88 |
| Spread | 0.107 | 0.234 | 0.46 |
| Trust | 0.155 | 0.21 | 0.74 |
| Education | -0.002 | 0.054 | -0.03 |
| Age | -0.013 | 0.013 | -0.97 |
| Gender(M) | 0.476 | 0.353 | 1.35 |

Note: N = 497; * $p \leq 0.05$; ** $p \leq 0.01$; *** $p \leq 0.001$.

Source: Author's own calculation and compilation.

As assumed, the findings for the relationship between attitudes and behavior are not statistically significant and even result in an inverted coefficient, which lends support to the intervenient effect of the "frequency rate" of interactions between the private and public spheres.

As stated in the theoretical framework, however, it is necessary to move beyond the general level of "corruption-tolerance behavior," and to differentiate between greed and need corruption in order to analyze the relationship between attitudes toward corruption and corrupt behavior (LCT). This task is accomplished by controlling for occurrences of being asked for a bribe by a public official (victimization, EXC6), which directly identifies cases of extortive corruption (as suggested by Orces 2009). Using this step, victimization (EXC6) would be expected to have an important impact on citizens' attitudes toward the way public servants treat them. To test it, I employ ordered logistic regression analysis to regress dealings with municipality (SGL2) and dealings with courts or justice tribunals (ST2), respectively, on victimization (EXC6). The results are shown in Tables 4 and 5.

Table 4: Impact of Victimization over Attitudes toward Municipal Officers

| **Treatment** | **Coefficient** | **Std. Error** | **Z** |
|---|---|---|---|
| Victimization | -0.487** | 0.166 | 2.93 |

Note: N = 1,371; * p≤0.05; ** p≤0.01; *** p≤0.001.

Source: Author’s own calculation and compilation.

Table 5: Impact of Victimization over Attitudes toward Court Officers

| **Treatment** | **Coefficient** | **Std. Error** | **Z** |
|---|---|---|---|
| Victimization | -0.546** | 0.189 | -2.89 |

Note: N = 686; * p≤0.05; ** p≤0.01; *** p≤0.001.

Source: Author’s own calculation and compilation.

As expected, the coefficients in both cases are of important effect size (-0.48 and -0.54) and statistically significant ($p \leq 0.01$), meaning that the requests for bribes by public officials diminish citizens’ levels of satisfaction with those services.

Now it is possible to disentangle the composite ordinal variable used in Table 1[16] (that which consider only the data for those subjects who interacted with public institutions in all three cases during the past year) by tabulating it with EXC6 (victimization). Table 6 presents the number of cases pertaining to the existence or not of victimization, thus effectively disaggregating them into collusive and extortive corruption.

As can be seen, 57 percent of citizens that were confronted (victimized) with a request for a bribe decided to comply, showing what the literature has called a need behavior. On the other hand, 10 percent of those who were not asked for a bribe ended up giving one, suggesting a situation of greed corruption.

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[16] For the sake of clarity, I chose to present here only one of the three composite models used previously – that which so far offers the most promising results with respect to the impact of attitudes on behavior. In the other two composite models, the regression results fail to achieve statistical significance (and a counter-logic negative coefficient in three out of the four analyses).

Table 6: Payment of a Bribe by Own Initiative or Victimization

| | Victimization | | |
|---|---|---|---|
| **Bribe** | **No** | **Yes** | **Total** |
| No | 102<br>89.47% | 14<br>42.42% | 116<br>78.91% |
| 1 Time | 10<br>8.77% | 11<br>33.33% | 21<br>14.29% |
| 2 Times | 1<br>0.88% | 7<br>21.21% | 8<br>5.44% |
| 3 Times | 1<br>0.88% | 1<br>3.03% | 2<br>1.36% |
| Total | 114<br>100% | 33<br>100% | 147<br>100% |

Source: Author's own calculation and compilation.

Although none of the survey questions employed here allow the possibility to state beyond a reasonable doubt that the occurrence of victimization corresponds to the payment of or refusal to pay a bribe (due to the exclusion of any measure of the frequency of such situations), it may still be possible to derive strong arguments if it can be proven that a bribe request (victimization) in fact influences the decision to pay it – as it would intuitively be expected. Table 7 presents the ordered logistic regression of the chosen composite ordinal variable on the occurrence of being asked for a bribe by a public official and the previously included control variables.

Table 7: Impact of Victimization Over Behavior (three cases)

| Bribe | Coefficient | Std. Error | Z |
|---|---|---|---|
| **Victimization** | **3.092*** ** | **0.651** | **4.75** |
| Attitude | 0.758 | 0.547 | 1.39 |
| Income | 0.387* | 0.162 | 2.39 |
| Econ. Sat. | 0.345 | 0.365 | 0.94 |
| Sat. Muni. | -0.752* | 0.358 | -2.10 |
| Sat. Gov. | 0.171 | 0.404 | 0.42 |
| Sat. Dem. | -1.447** | 0.464 | -3.12 |
| Spread | 0.265 | 0.396 | 0.67 |
| Trust | -0.081 | 0.298 | 0.27 |
| Education | -0.161 | 0.097 | -1.66 |
| Age | -0.058* | 0.022 | -2.52 |
| Gender(M) | -0.625 | 0.545 | -1.15 |

Note: N = 134; * p≤0.05; ** p≤0.01; *** p≤0.001.

Source: Author's own calculation and compilation.

As expected, "victimization" has a large and statistically significant influence (3.09, $p \leq 0.001$) on the decision to bribe or not. Hence, even though it is impossible from the survey questions to match both measures to the same event, the results of the regression analysis provide enough support to the assumption that they are in fact parts of the same incidents. The new control variables, "income" and "satisfaction with municipal services," are also statistically significant.

To further test the relationship between attitudes and behavior toward low-level corruption – now more readily delimited by the differentiated cases of greed and need – I use a more specific question regarding respondents' justification of bribery due to poor public services (EXC19). Question EXC19 serves as an appropriate indicator for cases of apparent greed given that it clearly makes the distinction that the justification for paying bribes relies on a desire to circumvent deficient procedures and/or poor customer services, not because such payments are being actively imposed. Therefore, the ordered logistic regression of the action-based composite ordinal variable on the justification for bribery due to poor public services (for the subset of cases that were not asked for a bribe) should tell the collusive part of the story between attitudes and behavior. As before, I include my set of control variables. Table 8 presents the results.

Table 8: Impact of Attitudes over Behavior – Greed Corruption

| **Bribe** | **Coefficient** | **Std. Error** | **Z** |
|---|---|---|---|
| **Attitude(greed)** | **0.974** | **1.027** | **0.95** |
| Income | 0.769* | 0.307 | 2.51 |
| Econ. Sat. | -0.5 | 0.568 | -0.88 |
| Sat. Muni. | -1.395* | 0.575 | -2.43 |
| Sat. Gov. | 0.595 | 0.627 | 0.95 |
| Sat. Dem. | -1.739* | 0.879 | -1.98 |
| Spread | 0.111 | 0.466 | 0.24 |
| Trust | 0.907 | 0.54 | 1.68 |
| Education | -0.192 | 0.2 | -0.96 |
| Age | -0.067 | 0.04 | -1.69 |
| Gender(M) | 0.361 | 0.903 | 0.40 |

Note: N = 103; * p≤0.05; ** p≤0.01; *** p≤0.001.

Source: Author's own calculation and compilation.

It is possible to see that the relationship between the two variables (i.e., tolerant attitudes toward bribery and actual engagement in corruption) is not statistically significant. However, the following control variables are statistically significant: income level, satisfaction with municipal services, and satisfaction with Peruvian democracy.

The final aspect to test is the relationship between need corruption and attitudes toward it – namely, cases of clear extortion. Unfortunately, the LAPOP survey does not ask people about their attitudes specifically toward being victimized by a public official. However, since the broadest attitudinal question in the survey (EXC18) is phrased in a manner that allows for the inclusion of both greed and need attitudes, it is likely that any important relationship between "need" attitudes and behavior can be identified through at least a weak impact of general attitudes on specific extortive behavior. To test this possibility, I once again employ ordered logistic regression analysis to regress the composite ordinal variable (actual bribery) on attitudes toward bribery and the control variables for the subset of cases that were asked for a bribe. The results are shown in Table 9.

Table 9: Impact Of Attitudes Over Behavior – Need Corruption

| **Bribe** | **Coefficient** | **Std. Error** | **Z** |
|---|---|---|---|
| **Attitude(need)** | **1.353** | **1.013** | **1.34** |
| Income | 0.480 | 0.34 | 1.41 |
| Econ. Sat. | 0.993 | 0.707 | 1.40 |
| Sat. Muni. | -0.448 | 0.68 | -0.66 |
| Sat. Gov. | 0.739 | 0.803 | 0.92 |
| Sat. Dem. | -2.616** | 0.99 | -2.64 |
| Spread | 2.158 | 1.804 | 1.20 |
| Trust | -1.165* | 0.527 | -2.22 |
| Education | -0.299 | 0.159 | -1.89 |
| Age | -0.067 | 0.044 | -1.52 |
| Gender(M) | -2.777* | 1.251 | -2.22 |

Note: N = 31; * p≤0.05; ** p≤0.01; *** p≤0.001.

Source: Author's own calculation and compilation.

Once again the regression offers not statistically significant results for the relationship between attitudes and behavior regarding LCT.[17] Of the control variables included in this regression, "satisfaction with democracy" was statistically significant, as was "interpersonal trust" and "gender" – the latter revealing (contrary to the suggestions of previous literature) that when it comes to bribery as a result of extortion, men are *less* likely to engage in it than women. The gender finding clearly supports the importance of differentiating between greed and need corruption.

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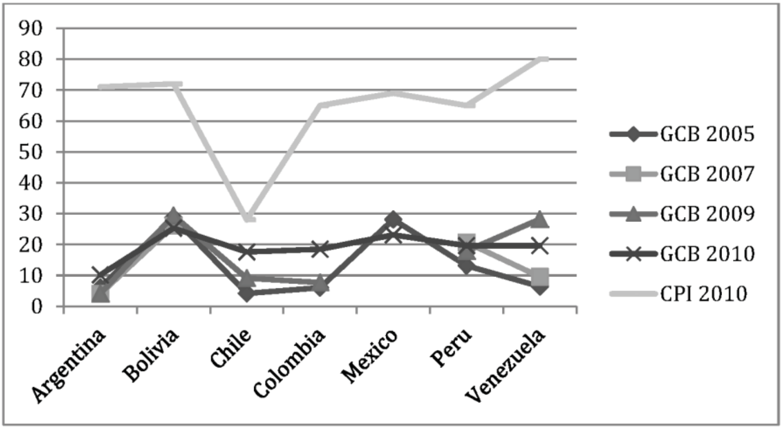
[17] It is important to note that the lack of statistical significance in this particular regression may be the result of the exceptionally low number of cases included. Therefore, further data collection is necessary.

## 8.2 Impact of an Action-Based LCT

The second hypothesis of this paper proposes that LCT has an important impact on the overall level of corruption in a country. If this is the case, I should be able to find that the CPI results tend to follow those of the GCB, which measures self-reported cases of low-level corruption (the action-based indicator of LCT).

To make the results more readable, I have converted the CPI's 10-point index scores into percentages with inverted results, with the most corrupt countries scoring higher and the least corrupt countries scoring lower. For example, based on its 2010 CPI score of 2.0, Venezuela scores 80 percent; Chile, meanwhile, scores 28 percent (CPI score of 7.2). This method eases comparisons with the LCT measure, which is produced from the percentage of the surveyed population in each country that declared having paid some form of bribe during the 12 months prior to the survey. To continue using the examples of Venezuela and Chile, the data provided by the GCB reports a LCT level of 20 percent in Venezuela and 9 percent in Chile. The relationship between both measurements of corruption and corruption tolerance for all the countries included here is graphically presented in Figure 2.

Figure 2: Tendencies of LCT and General Corruption



Source: Author's own compilation.

Figure 2 shows that, with the exception of the results from the GCB 2010 and the specific case of Venezuela, the levels of corruption accounted for by the CPI generally follow the international variations in citizens' reports of bribery. In the GCB Bolivia, Mexico, and Venezuela (only in 2009) score a LCT level of around 30 percent; Peru, around 20 percent; and Argentina, Chile, and Colombia, under 10 percent (with the aforementioned exception of the 2010 values). Meanwhile, Venezuela scores 80 percent in the CPI; Argentina, Bolivia, and Mexico, around 70 percent; Peru and Colombia, 65 percent; and Chile, 28 percent.

## 9 Results

The results of my empirical analysis reveal four major findings. First, attitudes toward bribery only serve as an important predictor of the decision to bribe. This is demonstrated by the strong coefficient and the presence of statistical significance when regressing the composite ordinal variable (which uses data for subjects that present values for all three action-based indicators of LCT) on general attitudes toward bribery. When repeating the analysis with dichotomized composite variables that include data for subjects that experienced *at least one* of the three scenarios, as well as for those that only experienced *one* of the three, the results lose statistical significance. Therefore, the potential of attitudes to predict behavior proves to be exclusively limited to "frequent-contact" subjects. In general terms, this finding can be said to demonstrate the possibility of making general inferences from the predictive capabilities of attitudes toward corruption, on the one hand, and the high probability that those same inferences may be entirely subordinated to the frequency with which the citizen encounters the public sphere (represented by public servants), on the other.

Second, identifying cases of extortion by public officials against the citizen (victimization) allows for the distinction between instances of greed and need corruption. Thus despite LAPOP's survey not including questions that explicitly ask about the nature of a bribe and/or the motivation to pay, it is still possible to deduce the differentiated contexts behind citizens' decisions.

Third, a closer look at the relationship between attitudes and behavior regarding low-level corruption (be it of a greed or need nature) shows that in all analyses but the most generic one attitudes toward corruption fail to allow for the prediction of a citizen's decision to bribe or not to bribe based solely on his or her attitude. Such results corroborate the theoretical framework presented here, which points in the direction of other, and possibly more relevant, determinants of the role of citizens in sustaining low-level corruption – for instance, the control variables adopted here that actually are statistically significant.

Fourth, taking into account the notion of a probable impact of citizens' LCT on corruption, I use a lined graph to identify whether there is a general pattern of association between the results of Transparency International's CPI and GCB. Overall, there is a common pattern for the Latin American countries included in the sample, which reflects a tendency for both types of measurements to run together. Clear exceptions, however, are the cases of Argentina and Colombia, which both report a much lower level of LCT in the GCB than would be expected given their scores in the CPI. These results may evidence the fact that the level of grand corruption tolerance is disproportionately higher than the level of LCT. For the rest of the countries, the pattern follows the expected tendency, meaning that the level of LCT is correlated with the overall level of corruption in those societies. This, however, does not come as a surprise, due to how the concept of corruption tolerance was operationalized: given that the LCT measurement employed here is action based in nature, it is expected that the level of general corruption will follow the general occurrence of bribery involving the lower levels of the bureaucratic apparatus.

## 10 Conclusions

When addressing a behavior so complex as that of a citizen's decision to bribe, attitudes cannot tell the whole story – as the case of Peru has demonstrated. People may pay bribes because (i) they are dissatisfied with the services provided by their municipal office or with the way democracy works, (ii) they are younger, (iii) they have higher incomes, (iv) they do not trust their peers, or (v) their gender makes them more vulnerable to giving in to extortion. These are all important factors that can drive citizens to exhibit bribery-supporting behavior even though they may at the same time express an intrinsic disagreement with the whole *idea* behind bribery. In other words, a citizen's evaluation of low-level corruption may be negative, but other factors beyond a citizen's sentiments also come into play when confronted with a real situation. The theory of planned behavior (TPB) suggests that this occurs because other elements influence individuals' decisions besides their attitudes toward bribery. Theses elements could be the subjective norm (i.e., the opinion that others have about bribery) or the perceived behavioral control behind attempting to bribe. To test TPB's argument, surveys must include questions that identify the determinants of corruption from a citizen perspective.

As Bergman (2009) explains, the citizen has no incentive to behave in a righteous way if everyone else is not following the same cooperative strategy. In a society where public officials are highly corruptible and everyone around seems to be taking advantage of that situation, following one's moral convictions may prove to be the less efficient behavior. Nonetheless, as the data on Peru has statistically proven, such a context does not necessarily preclude anticorruption attitudes, even in its low-level form.

This study argues against the reliance on purely attitudinal indicators of corruption tolerance, specifically LCT, and supports the use of action-based indicators instead. The impact of this position is by no standards meager. Any study that focuses on citizens' tolerance of corruption must necessarily employ theoretically and empirically sound indicators that measure the phenomenon of interest before attempting to explain its causes, its consequences, or how it interacts with other concepts of social scientific interest. Past approaches that implicitly conceptualize corruption tolerance as a matter of attitudes based their research efforts on the assumption that those attitudes would fundamentally explain or predict an individual's actual behavior and, therefore, have a specific impact on society. If not for the attitude–behavior correspondence, there would be no clear reason for choosing to explore a construct (corruption-tolerance attitudes) that has no effect whatsoever in reality. However, the assumption of the attitude–behavior congruence (as has been analyzed in this paper) has been proved both theoretically and empirically erroneous. In such a scenario, then, the logical course to follow is to conceptualize corruption tolerance as a specific behavior and to operationalize it accordingly in order to accurately assess the specific determinants of this phenomenon.

This conclusion (regarding the use of a behavioral approach to corruption tolerance) has been reached through the multivariate regression of behavior on attitudes, primarily, and relevant control variables. In the case of attitudes, which are the main focus of this paper, the results are for the most part not statistically significant. Therefore, the next step will have to take into account "attitudes" among other important variables (following the proposed theoretical model) in an effort to explain corruption-tolerance behavior.

The ability to explain and predict actual human behavior has the ultimate objective of providing policy makers with the appropriate tools to effectively fight the scourge of corruption, helping them to avoid the indiscriminate or uninformed employment of human and financial resources. Although it is not my intention here to criticize specific anticorruption policies derived from normative and positive studies, I argue that considerations regarding specific environmental causes identified by theoretically and empirically sound indicators should be a key element in any serious anticorruption policy. To this end, lucid and theoretically oriented surveys are crucial and will, among other things, allow the framework presented here to be fully implemented. Without clear data on the various characteristics of a corrupt transaction, the possibility of reliably assessing corruption tolerance in a particular society will always be limited.

Even though the data used here only cover Peruvian citizens, the above discussion applies to any study on the corrupt behavior of citizens in any region. The need for a sound operationalization of the studied behavior permeates geographical considerations. Moreover, Peru represents a typical case of a Latin American country whose citizens have frequent contact with all dimensions of corruption; therefore, it is entirely probable that similar results will be found if examining attitude–behavior congruency and LCT in Brazil or Mexico, for example. Such similarities would, of course, have to be empirically tested using appropriate data, but the potential for a regional examination of LCT is clearly present. This would require, however, improvement of the relevant survey tools, such as LAPOP and Latinobarómetro, among others.

As a final comment, I should clarify that although the proposed action-based indicator of corruption tolerance may represent the effective transposition of measures of the incidence of bribery (or the attempt to do so, as was effectively developed in theory) to the newly developed concept of low-level corruption tolerance, the important difference resides in what Bauhr and Nasiritousi (2011) have called “the basic motivations for paying a bribe.” This approach diverges from the classic interest in the corrupt action itself and the public-official side of the exchange by bringing attention to the role of the citizen as the fundamental actor in any corruption scenario. Therefore, to gain access to this newly emerging field of interest, we will need to address citizens’ actual behaviors and not just their opinions about the phenomenon of low-level corruption.

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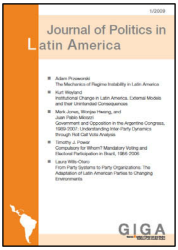
## Tolerancia a la Corrupción de Bajo Nivel: Un Enfoque para Perú y América Latina Basado en la "Acción"

**Resumen**: La tolerancia a la corrupción manifestada por ciudadanos en Latinoamérica ha ido tomando forma como un concepto aparte, dentro del estudio de la corrupción en general, desde comienzos de la década pasada. Este constructo, sin embargo, ha carecido de una aproximación sistemática que permita la discusión de tipos particulares de tolerancia a la corrupción y de indicadores apropiados para su medición. En este

estudio, esos vacíos son analizados a la luz de la información proveída por el Barómetro de las Américas 2006 para Perú, país que representa un caso típico sobre la incidencia de sobornos en la región, e información proveída por el Barómetro Global de la Corrupción, contra un marco teórico cuidadosamente construido para el análisis de dicho fenómeno. Los resultados indican que la actitud contra tipos específicos de microcorrupción no debe ser considerada similar a la subsecuente decisión del ciudadano de verse involucrado o no en ese tipo de actos. Adicionalmente, los resultados indican que el estudio de la tolerancia a la corrupción tiene el potencial de acercarnos más a entender los diferentes determinantes de la corrupción en países en desarrollo.

**Palabras clave**: Perú, actitud, comportamiento, corrupción



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Serdült, Uwe, and Yanina Welp (2015),
How Sustainable is Democratic Innovation? Tracking Neighborhood Councils in Montevideo, in: *Journal of Politics in Latin America*, 7, 2, 131–148.

URN: http://nbn-resolving.org/urn/resolver.pl?urn:nbn:de:gbv:18-4-8566

ISSN: 1868-4890 (online), ISSN: 1866-802X (print)

The online version of this article can be found at: <www.jpla.org>

Published by
GIGA German Institute of Global and Area Studies, Institute of Latin American Studies and Hamburg University Press.

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# Research Note

# How Sustainable is Democratic Innovation? Tracking Neighborhood Councils in Montevideo

Uwe Serdült and Yanina Welp

**Abstract**: Focusing on the relatively longstanding experience of neighborhood councils in the Uruguayan capital of Montevideo (1993–), this research note seeks to analyze how sustainable democratic innovation is and to explain subsequent results. Sustainability is assessed through the evolution of citizens' participation in elections and through the number of candidates who apply to become neighborhood councilors. For both indicators, a consistent decline in the levels of participation over time is found. This is deemed to be a consequence of an institutional design that seriously limits the performance of neighborhood councils in terms of their influence in the decision-making process and their acquisition of legitimacy and political capital.

■ Manuscript received 15 May 2015; accepted 22 June 2015

**Keywords**: Montevideo, participatory democracy, neighborhood council, citizen's participation, schools of citizenship, democratic innovation

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# 1 Introduction

The program of participatory decentralization promoted in Montevideo by the Frente Amplio (FA) since 1989[1] is considered to be one of the most successful and longstanding practices of participatory democracy in Latin America (Portillo 1996; Schugurensky 2004).[2] Similar to other leftist parties that have had success in local elections during recent decades, the FA decentralized the city administration and opened up new channels in order to give citizens a voice in local government (Goldfrank 2002). Through these instruments, the FA expected to deliver more responsive, effective services and foster greater citizen involvement. Although there is substantial evidence that the city's decentralization program has led to service improvements and achievements (Portillo 1996; Chavez 2005), the results with regard to citizens' engagement are not that clear cut. Thus, this paper[3] deals with the following question: What makes democratic innovation successful? Focusing specifically on the neighborhood councils that have been operational since 1993, we explore the extent to which this key element of the new participatory wave in Montevideo can be regarded as a consolidated participatory practice and the extent to which it can be deemed a sustainable and "good" example of formal citizen participation.

In her pioneering work, Pateman (1970) characterizes the participatory model as one where maximum input (participation) is required, and where output includes not only policies but also the development of the social and political capacities of each individual.[4] Fung and Wright (2003), in what they define as experiments of empowered deliberative democracy, stress three fundamental principles: (i) a focus on specific, tangible problems, (ii) the involvement of ordinary people affected by these problems and officials close to them, and (iii) the deliberative development of solutions to these problems. These principles are related to contexts of:

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[1] Montevideo was the first city to experience a leftist government in Uruguay. The FA has won all six elections since 1989.

[2] Uruguay is also the most well-known and stable country with direct democratic instruments in Latin America (see Serdült and Welp 2012).

[3] A first version of this paper was presented in the ECPR Joint Sessions of Workshops at the University of Warsaw, 29 March–2 April 2015. We thank the participants for all their very useful comments. This work was part of the program "Democratic Innovation: What Europe can learn from Latin America", financially supported by the Avina Stiftung. The study was conducted by the Centre for Democracy Studies Aarau (ZDA) at the University of Zurich, the Instituto de Estudios del Desarrollo Regional y Local (IDEL) of the Universidad Católica del Uruguay, the Instituto de Ciencia Política de la Universidad de la República and the Defensoría del Vecino de Montevideo. The field work was carried out by Paula Ferla and Alejandra Marzuca.

[4] We should mention, however, that under the label of democratic innovation, mechanisms of control and accountability such as recall can be found (see Welp and Serdült 2014).

> devolution of public decision-making authority to empowered local units; the creation of formal linkages of responsibility, resource distribution, and communication that connect these units to each other and to superordinate, more centralized authorities; and the use and generation of new state institutions to support and guide these decentered problem-solving efforts rather than leaving them as informal or voluntary affairs (Fung and Wright 2003: 17).

The literature generally emphasizes this combination of influence on policy making, quality of deliberation, and citizen engagement (Avritzer 2002; Baiochi and Ganuza 2014; Geissel and Newton 2012). We can therefore argue that a successful institution of citizen participation is one that (i) provides a channel of influence in policy making, (ii) engages citizens in a process of deliberation and public communication, which in return provides legitimacy to the institution, and (iii) is able to attract a constant or increasing number of participants.

This paper is organized into four sections. In section 2 we will introduce the case study – namely, the city of Montevideo and its neighborhood councils. In section 3, we then proceed to evaluate (a) whether neighborhood councils actually do have a certain influence on policy making or not, (b) whether citizens engage in a process of democratic deliberation, and (c) to what degree the institutional set-up of participatory mechanisms is able to attract participants. We present our conclusions in section 4.

## 2 Montevideo Neighborhood Councils

On 28 February 1990, only a few days after taking mayoral office, Tabaré Vásquez[5] signed a decree initializing the decentralization of the city of Montevideo (Resolution 133). However, the implementation was not straightforward and political opposition by two parties, the Partido Colorado and the Partido Nacional, lead to a period of tension and blockage. To resolve the standoff, the new government agreed to call for a joint committee on decentralization, referred to as the "Mixed Commission" (18 April 1990), which included experts and representatives of the major political parties (Goldfrank 2002; Veneziano 2005). As a result of this process, three local institutions were installed in each of the 18 newly created zones:

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[5] After serving as the mayor of Montevideo (1990–1994), Vásquez was also elected president of Uruguay twice (2005–2010; 2015–).

- Community centers (*centros comunales zonales*, CCZs)
- Local executive boards (*juntas locales*, JLs)
- Neighborhood councils (*concejos vecinales*, CVs)

The community centers (CCZs) have the mandate to manage services and administrative procedures for their corresponding zones. Each operates under the responsibility of a director who is a civil servant with technical staff at her or his disposal. CCZ staff consists of public servants employed by the city government.

In the original charter, the local executive boards (JLs) supervised the CCZs and developed plans and services for their respective areas. However, they did not have their own financial resources and were not allowed to take out loans. JLs are composed of five representatives recruited from political parties. The mayor appoints the representatives to these honorary positions from a list submitted by each political party running in the municipal elections. Of the five seats, three are allocated to the winning party and the remaining two are distributed among the other parties based on the number of votes they receive (Canel 2001: 30). Neighborhood councils (CVs) also consist of honorary positions,[6] which are filled by elected residents living in the respective zone. CVs (a) serve as a bridge between the needs, demands, and suggestions of the zone's citizens and the governmental authorities, (b) stimulate citizen participation, (c) promote solidarity among local residents, (d) assess governmental acts; and (e) generate initiatives geared toward improving public management. The institutional design of CVs does not allow them to intervene in decision-making directly, but provides a forum for deliberation and a mechanism to inform those in power. In some respects the CVs have the autonomy to define both their way of working and their composition. For example, CVs have determined that they must consist of between 15 (25 until 2011) and 40 members; include plenary meetings and thematic commissions in their internal procedures; and establish an executive board that articulates, coordinates, and plans the institution's activities. Decisions are usually made by a simple majority vote. CV candidates must reside or work in the zone in which they are running and have either the support of local organizations or an endorsement from 20 neighbors.

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[6] Decree No. 26.019, 1 July 1993, modified and later repealed (including all modifications) by Decree No. 28.119, 2 July 1998. New version by Decree No. 30.660, 10 March 2004. Then modified with regard to (i) the age of eligibility (from 18 to 16 years old) (Decree No. 32.492, 15 May 2008); (ii) the number of signatures needed as a candidate (from 10 to 20) (Decree No. 33.478, 1 July 2010); and finally (iii) regarding the minimum number required to form a council (from 25 to 15) (Decree No. 33.908, 15 September 2011).

From 1995 to 2005 CVs played a key role in leading the process of participatory budgeting (*compromisos de gestión*). During that time, they were in charge of receiving, analyzing, and prioritizing citizens' proposals – for example, regarding streetlights, green areas, public transport, or public spaces – in direct consultation with locals and the mayor. In 2005 control over participatory budgeting was taken away from the CVs, which saw their status decrease. This came after Montevideo's municipal government created the position of neighborhood ombudsman in 2003 – an institution that was perceived by the CVs to overlap their own functions. Naturally, the CVs opposed the creation of this position but were unable to prevent it (Bica 2008).

The institutional rules for the newly created bodies at the zonal level have undergone some crucial changes over the last two decades. In the first series of reforms, we can observe that at least some administrative tasks and services were passed down to a lower state level. However, the decentralization process in this early phase was still very much in the hands of political parties and provided only limited scope for citizen participation (Veneziano 2005; Schneider and Welp 2011). This set-up was maintained until 2010, when the Law of Political Decentralization and Citizen Participation[7] entered into force, creating municipal governments throughout the country and thus replacing the JLs in Montevideo. The creation of this third level of government throughout the country represented an important step in the decentralization process in Uruguay and helped to improve political legitimacy at the local level. Directly elected by the people, these municipal governments consist of a mayor and four city councilors and have the authority to manage a budget and to incur debt. Montevideo was a special case in that it went through a period of transition in which the 18 zones defined in 1993 were partly merged and then regrouped into eight municipalities. Nonetheless, the new law did not change the existing 18 neighborhood councils, leading to a situation in which some Montevideo municipalities now operate with more than one CV in their territory.[8]

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[7] Law No. 18.567 and later adjustments (Laws No. 18.644, 18.653, and 18.659) (enacted 2009–2010). The law introduced further changes such as the elimination of the secretary, a position appointed by the mayor to mediate between the city government, JL, and the Department of Decentralization.

# 3 Assessing Montevideo's Neighborhood Councils

We base our assessment on (i) extensive fieldwork that includes semi-structured interviews with neighborhood councilors, local authorities, and civil society organizations, (ii) participatory observations during site visits, (iii) documentary analysis of legal regulations and official reports, and (iv) secondary analysis of council election results. This section is based on fieldwork that was carried out during 2010 and focused on 6 out of the 18 zones (1, 3, 8, 9, 13, and 17) (for details, see Ferla et al. 2012 and 2014).

## 3.1 Influence on Decision-Making

CVs exert either a direct or indirect influence on the definition of those programs, governmental policies, and measures that affect their respective territories by advising representatives of departmental and local government or by generating proposals. It is, however, the government that decides whether or not to consult with CVs and take into account their advice. So how does the relationship between the CVs and the governmental authorities work in practice?

According to the councilors we interviewed, the few occasions where the executive consulted with CVs on issues affecting their territories show that the relationship is far from ideal. Most councilors claim that (a) the government is generally not held accountable for its decisions, (b) that councilors' proposals are not taken into account, and (c) that the government has difficulties in fulfilling its commitments. In several interviews the term *verticalazos* (a colloquial expression that refers to those bypassed in the decision-making process by a higher authority and confronted with facts that cannot be changed) is used to describe the way the executive treats CVs. Furthermore, the CVs' relationship with the legislature is also limited to a few specific instances and is marked, in most cases, by conflict. An example of such a conflict was the creation of the neighborhood ombudsman, an office strongly rejected by the CVs.

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[8] Although the impact of these territorial rearrangements of the CV do not form part of this analysis, they can be consulted in Decrees No. 33.209, 33.227, and 33.310 on the political and administrative decentralization of Montevideo.

The relationship between CVs and JLs (the local political body at the time of conducting fieldwork) provides a crucial gateway for accessing information and influencing council decisions. For CV members, having access to required information and believing that JLs consult with them on relevant issues and value their advice are the main criteria for a positive relationship between local governments and councils. In the following quote, a councilor we interviewed describes his experience of a negative relationship:

> Decisions are made once every thousand years and in general go against the council's opinion. When we would like to pave this street, they pave the other, when you give priority to one thing, they prioritize the other [...]. I feel a bit frustrated. The highest body is the neighborhood council, however, some issues don't pass before the council. They are executed elsewhere and the councilor is left out but gets the blame and the beating from the residents because they think he has an important role to play.

Whether a CV is consulted by a JL during a decision-making process seems to depend on the personal relations between members of both institutions as well as on their respective interpretations of what the CV stands for (rather than its formal competences). Based on the interviews we conducted, the relationship attributed (close or distant) depends on the experience they may have acquired in the past when they were councilors or social activists. One councilor noted that "for the Junta Local, the Consejos Vecinales present more problems than solutions. They are like a stone in your shoe, complaining all day, demanding things and not giving much in return." Another councilor said, "As we have no power at all, what we do is complain and complain like any other neighbors. It makes no sense if we don't have more power." Our analysis is based on the period prior to the establishment of the eight municipalities (see above). Currently, given that more than one CV belongs to each municipality CVs negotiation capacities can be expected to be even weaker, unless new mechanisms of association between them are developed.

In short, we observe that CVs are not considered major players per se, but some of them could manage to become recognized partners over time. This is also reflected in the perception of the concrete achievements of the CV.

The councilors interviewed had difficulties in identifying the achievements of their CVs. Some made rather general statements such as "a strengthening of the participatory space," "better proposal-writing capabilities," or "preserving the integration of the commissions." Others mentioned issues such as the actual achievements of the government – for example "90 percent street lighting in the area" or "the renovation of the sports plaza." This confusion regarding their own tasks is explained by the advisory functions they fulfill and also by the fact that some measures are the result of coordination among various actors. Our observations show that CVs' main achievements are related to giving advice on the execution of public works and services, mainly with regard to cultural, housing, gender, and health policies. Meanwhile, some CVs appear to be more proactive in launching their own initiatives to address local issues. Some positive examples of this include supporting the reopening of a hospital, creating a health clinic, opening new schools, boosting housing cooperatives, setting up a drug rehabilitation center for users and their families, and establishing a center for rural workers.[9] Are these achievements enough to maintain the general high regard for the institution and to attract public participation?

## 3.2 Deliberation and Legitimacy

The process of deliberation should contribute to the development of civic virtues such as tolerance, trust, and a sense of responsibility (Schugurensky 2004), which together with their influence in policy making should legitimize the role of the CV in public matters. Our fieldwork helped us to identify the forms of tension between the individualistic logic of the respective councilors (who are members of an organization, district, or subzone community center) and the communitarian logic (which is expected to take priority when the problems and needs of several territories – often with limited financial resources – are considered).

A balance needs to be created between direct demands, the needs of several jurisdictions, and the government's agenda. Not only is such a balance possible when developing the global vision required to establish the CV as a representative, it tends to be the result when councilors undertake processes of accountability and provide their relevant collective with information. According to most of the councilors interviewed, the expectations of the neighbors and organizations who supported them often become an obstacle to considering other arguments and developing a form of inclusive work. This aspect affects the legitimacy of the CV in the eyes of other, mainly local, political and administrative actors given that the community's expectation of clear outcomes undermines the ability of the CV to play its role of "social agent" or "voice box" (*caja de resonancia*).

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[9] Many of these proposals are channeled through the participatory budgeting process and occasional opportunities for councilors to interact with various groups in the neighborhood.

The mechanisms by which topics make their way on to the agenda of CVs reflect the CVs degree of autonomy. This is because, on the one hand, there are governmental requests (meetings that councilors are invited to attend, forms they have to sign, or information on programs or particular policies or proposals they need to know) and, on the other hand, there are the councilors' definitions of topics. Our study showed that the most autonomous CVs were those that managed to develop their own agenda, having not only the government but also the people and other institutions as interlocutors.

CVs are usually open to the participation of citizens who are not council members (in commissions, plenary meetings, or "open councils" in particular). However, analysis of the form and frequency of the relationship between neighbors, CVs, and organizations indicates that there is discontinuity and a lack of concrete procedures, resulting in CVs' low degree of integration into local society. Although there are cases where specific strategies of contact with the local community have been implemented or where some CV committees have developed in-depth work within the community, these practices are exceptions.

In general, the relationship between CVs and local residents occurs through the individual actions of the councilors. Summarizing the view of many, a civil servant stated the following:

> Residents ignore the neighborhood council; they do not need it and are not interested in it. They neither believe in the council nor perceive it as an important organ. They do, however, recognize the leaders and activist councilors for their charisma as neighbors and neighborhood representatives. There are personal relationships because they know each other, but without institutional planning (Interview 9/2/2010).

Organizations and residents attend council meetings infrequently and only in specific situations. All our interviewees noticed that CVs spend most of their time on administrative tasks, which is detrimental to maintaining dialogue with locals and social organizations. One councilor had the following to say:

> We do not have much time to devote to the neighborhood; we have to participate in thematic commissions, workshops, go to the IMM [Municipality of Montevideo], etc. It is impossible to cover

> everything and integrate into the organization and complete the work that each one has (Interview 6/10/2009).

This produces a way of working that is isolated from local residents and alienates existing social organizations (including those to which CVs belong). It also does nothing to encourage CVs' local involvement. In general, locals do not know what CVs are, what functions they have, what issues they address, what things they have achieved, or even who the CV councilors are.

One of the main difficulties CVs face in their relationships with the neighborhoods they represent is that communities expect them to resolve problems even though they do not have the competencies to do so. According to one councilor, "the council does not attract people; if it does not play a role providing solutions we [councilors] are just like any other neighbor" (Interview 18/12/2009). This vicious circle produces legitimacy and efficiency problems, resulting in CVs being perceived as meaningless.[10] Is this situation translated to the levels of participation?

## 3.3 Participation

Several studies have shown that institutions of participatory democracy attract only a small portion of the electorate. Goldfrank (2011) notes that the most successful Latin American experiences hover around a participation rate of 10 percent. For some scholars, it opens a debate on the legitimacy and representativeness of these institutions. Although these low numbers matter to opponents of participatory democracy, its defenders emphasize its role in complementing and strengthening representative democracy by giving a voice to those who would otherwise never receive a chance to be heard (Goldfrank 2011). Approaching this issue requires an exploration of the evolution of participation and the profiles of the participants as well as a qualitative analysis of both the perceptions of those involved and the incentives or disincentives faced by citizens to vote and/or integrate into CVs.

On average, 82,000 citizens voted in each of the nine CV elections (1993–2013), representing a turnout of between 7 and 10.8 percent of the electorate. The first year had the lowest participation rate (with 68,558 voters). A considerable increase was observed between 1995 and 1998 (up to 106,909 voters), but since then there has been a steady decrease in voter numbers. On three occasions participatory budgeting voting was merged with councilor elections, but there appeared to be no clear effect on the level of participation (see Figure 1).

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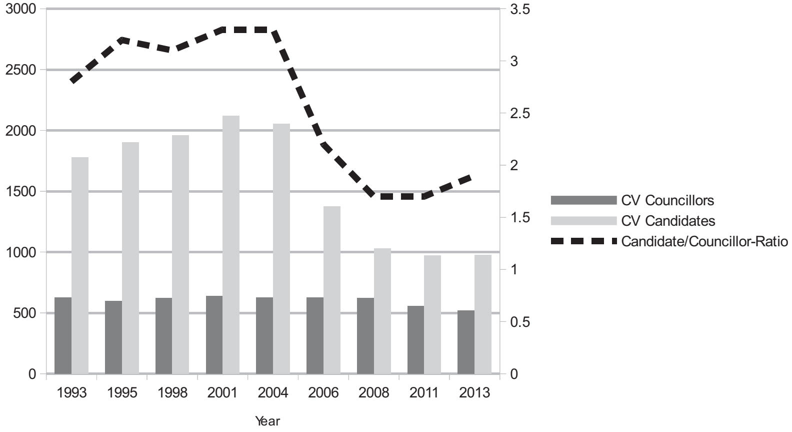
[10] A social network analysis confirms that CVs together with businesses in the area are perceived to have least amount of influence. In all but one of the areas studied, CVs had a very low level of influence on area-relevant public policies (see Ferla et al. 2012).

During the last six elections, the number of candidates went down by more than half, from 2,123 in 2001 to 975 in 2013 – stakeholder numbers also declined accordingly. Although the average total number of elected councilors stands at 604, the 518 elected last time around are a record low.[11]

Figure 1: Number of Candidates, Number of Councilors, and Candidate–Councilor Ratio for CV Elections in Montevideo, 1993–2013



Source: See Annex.

To deal with the decreasing number of candidates, some CVs reduced the number of required seats. Following changes to departmental regulations, CVs have been able to work with a minimum of 15 members (previously 25) since 2011. The government argues that this reduction reflects changes in the territorial boundaries, which have established new municipalities. Others, however, have pointed out that there were fewer candidates than positions to fill during recent elections (especially when considering that for each councilor a replacement needs to be elected) during recent elections.[12]

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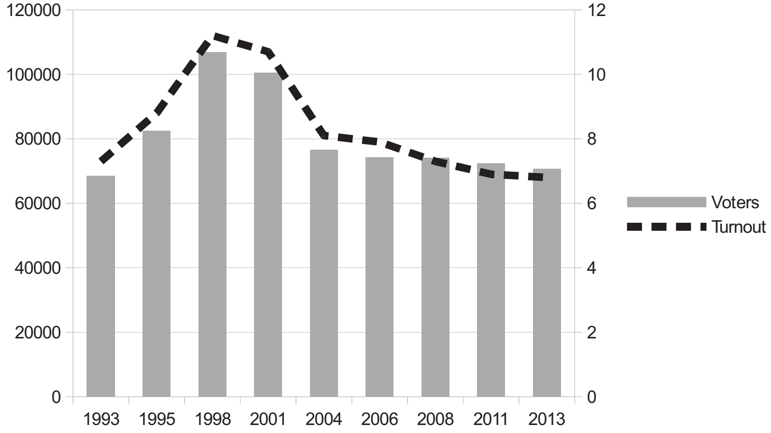
[11] As an aside, we as researchers also realized how difficult it is to receive reliable statistics on each of the CV elections listed in the Annex. Depending on the source, the indicated figures vary slightly but do not change our main interpretation of the data. It is, however, indicative of the general situation. Despite the fact that elections in Uruguay should be supervised by the Electoral Court, they are in fact handled de facto by the municipality. In addition, we could not find an easily accessible, transparent publication with detailed election results worthy of a democratic procedure. A detailed official publication indicating the total number of the electorate in a gazette simply does not seem to exist.

Meanwhile, the average number of councilors per CV for the period 1993–2013 is 34. In 2011 only 5 of the 18 CVs elected 40 councilors. In fact, only one CV (the 18th) has maintained the maximum membership during the eight elections. Less than half the CVs (seven) secured the number of councilors they originally decided on, while the rest reduced the number of members by as few as 2 to as many as 18 throughout this period.

Figure 2: Number of Voters and Turnout for CV Elections in Montevideo, 1993–2013



Source: See Annex.

Finally, our observations do not suggest that the underrepresented sectors of the population are main participants of the CVs. In Montevideo the majority of the participants in CVs are middle-class adults (the youth population is underrepresented).[13] According to data on six CVs obtained during our focus group interviews (conducted between 2009 and 2010), the majority of councilors were men (58 percent). Of the CV members analyzed, only 9 percent were below 40 years of age, 43 percent were between 40 and 60, and 45 percent were older than 60. In terms of highest level of education, 49 percent attended secondary school, 23 percent only attended primary school, and 26 percent attended university. At the time of our study, 66 percent of respondents were working. Moreover, 45 percent say that this is not their first term as councilor.

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[12] See <http://historico.elpais.com.uy/110917/pciuda-593887/ciudades/Concejos-Vecinales-de-Montevideo-se-achican-por-falta-de-candidatos/>.

[13] This is based on the profiles of the CV members working during the fieldwork period.

The number of participants in CV elections, even if below 10 percent of the electorate, is considered satisfactory when compared to similar experiences in the region (Goldfrank 2011). During the period immediately following the establishment of CVs, citizen interest in CV councilor roles and the level of permanence in the exercise of their functions were relevant features of the Montevidean experience. It also appears that there was an important endorsement of social organizations, which is now declining. Also the drop in interest in participating must be investigated. Since 2004 there has been a steady downturn in the number of candidates and in the level of permanence in office. In the interviews and informal exchanges conducted, we noted that participants agreed there was an increase in the number of candidates standing as individuals without the support of social organizations. This is related to changes in incentives and motivations to participate as a councilor.

One of the councilors we interviewed mentioned that this could be down to, on the one hand, the difference between “what councilors are expected by the council to achieve and what is possible and effectively achieved” and, on the other hand, the consolidation of new institutions that are able to address public problems that were more difficult to resolve before the process of decentralization. Moreover, it is noted that for many participants, CVs have served as a stepping-stone to a political career. In fact, the governing political party itself has treated CVs as hotbeds for candidates. For some, this has had a positive impact to the extent that it has helped the government apparatus incorporate more prominent personalities to respond to locals, while others point out that this strategy devaluates CVs (Bica 2008; Veneziano 2005).

## 4 Conclusions

The institution of the CV in Montevideo was launched with high hopes on the part of both citizens and elected councilors. Based on qualitative and quantitative data, we found evidence of a clear downward trend for this participatory decentralization initiative. CVs have become increasingly excluded from decision-making processes, much to the frustration of a significant number of councilors. Despite several rescue operations, such as bundling CV elections and participatory-budgeting voting, fewer citizens are motivated to stand as candidates or participate in elections. Despite the fact that the municipality of Montevideo ran a campaign to attract candidates and mobilize voters to participate in the 2013 CV elections, we observed a constant decline in interest in this institution among both candidates and the electorate, with participation rates dropping to record lows.

Although the political will for reforms by the Frente Amplio was of course key to the creation of decentralized mechanisms for civic participation in Montevideo, we saw that CVs underwent institutional design changes that were detrimental to their functioning. Uncoupling their functions from participatory-budgeting voting and overlooking them in decision-making processes have made CV members appear powerless vis-à-vis citizens; as a consequence, they have lost credibility. Given these circumstances, the institution of the CV in Montevideo stands at a crossroads. With even less candidates and participants in the next elections, it will be difficult to justify their existence. Based on our assessment, the direction in which the institution should move regarding its degree of formalization is an open question that involves certain trade-offs. One option is to return responsibility for the participatory-budgeting process back to CVs and formalize their role in decision-making. Such a move would most likely enhance the reputation of the CV and see CVs become more politicized. Nonetheless, such a move is unlikely within the current context, while turning the CV into a more formalized political body may not be beneficial. Alternatively, transforming into neighborhood associations without directly elected members could help CVs' increase their legitimacy vis-à-vis citizens. Such a strategy could allow them to engage with locals and to play a role in community politics more freely.

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## Cuan SUSTENTABLE es la innovación democrática? Seguimiento de los concejos vecinales de Montevideo

**Resumen**: Centrándose en la relativamente longeva experiencia de los concejos vecinales en la capital uruguaya de Montevideo (1993–), esta nota de investigación busca analizar cómo es la innovación democrática sostenible y explicar sus resultados. La sostenibilidad se evalúa a través de la evolución de la participación de los ciudadanos en las elecciones a concejos y a través del número de candidatos que se postulan para concejales. En ambos indicadores, se observa una constante disminución de los niveles de participación. Esto se explica como consecuencia de un diseño institucional que limita seriamente el rendimiento de los concejos vecinales en términos de su influencia en el proceso de toma de decisiones y su adquisición de legitimidad y capital político.

**Palabras clave**: Montevideo, democracia participativa, concejos vecinales, participación ciudadana, escuelas de ciudadanía, innovación democrática

# Annex

## Turnout for CV Elections and Ratio of Candidates per CV Councilor

| | **1993** | **1995** | **1998** | **2001** | **2004** | **2006*** | **2008*** | **2011*** | **2013*** |
|---|---|---|---|---|---|---|---|---|---|
| Voters[1, 2] | 68,558 | 82,496 | 106,909 | 100,552 | 76,643 | 74,319 | 74,123 | 72,473 | 70,721 |
| Turnout in %[3, 4, 5] | 7.3 | 8.8 | 11.2 | 10.7 | 8.1 | 7.9 | 7.3 | 6.9 | 6.8 |

| | **1993** | **1995** | **1998** | **2001** | **2004** | **2006*** | **2008*** | **2011*** | **2013*** |
|---|---|---|---|---|---|---|---|---|---|
| CV candidates[2, 3] | 1,779 | 1,901 | 1,962 | 2,123 | 2,054 | 1,376 | 1,032 | 972 | 975 |
| CV councilors[2, 3] | 629 | 598 | 623 | 639 | 625 | 627 | 621 | 557 | 518 |
| Ratio | 2.8 | 3.2 | 3.1 | 3.3 | 3.3 | 2.2 | 1.7 | 1.7 | 1.9 |

Note: * Simultaneous election of CV and participatory budgeting vote.

Sources: (available from the authors upon request):

[1] Eleccion de Concejos Vecinales Año 2004. Datos Basicos. Publicado por: Unidad de participacion y coordinacion. Departemento de descentralizacion. IMM. Pages 3–4.

[2] Eleccion de Concejos Vecinales Año 2006. Datos Basicos. Publicado por: Unidad de participacion y coordinacion. Departemento de descentralizacion. IMM. Page 3.

[3] Datos sobre las elecciones del 26 octubre 2008: Consejos Vecinales y Presupuesto Participativo: Resumen general. IM, Division asesoria de desarrollo municipal y participacion, Unidad de participacion y planificacion.

[4] Veneziano Esperón (2008: 218) for turnout in percent 1993–2006.

[5] Own calculations for 2011 and 2013 based on Census 2011, online: <www.ine.gub.uy/censos2011/microdatos/micromacro.html>.